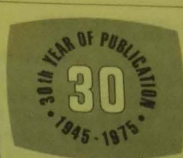


WEEKLY

Television Digest®

with
consumer
electronics®

The authoritative service for broadcasting, consumer electronics & allied fields

WITH THIS ISSUE: Early Warning Report on Jan. TV & stereo retail sales & inventories.

FEBRUARY 17, 1975

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 15, NO. 7

Broadcast

FAMILY-VIEWING GETS NATPE attention at record convention in Atlanta. Wiley defends actions; Rep. Brown hits FCC involvement. Stations see 'coercion'; networks don't. (P. 1) Syndicators happy. (P. 5)

RURAL TV VIA CATV & TRANSLATORS urged by OTP. Says 22 million homes could get 5 channels at \$272-\$335 million capital cost. FCC asked to ease cable-translator cross-ownership and microwave rules. (P. 3)

FCC SEEKS 'INDECENCY' TEST: 'Declaratory letter' says WBAI (FM) broadcast indecent words from Carlin album. Lawyers expect appeal. (P. 4)

NAB SCORES NCTA 'DUPLICITY': Petitions FCC to tighten carriage & non-duplication rules, asserting NAB 'concessions have gone for naught' because of cable failure to support consensus. (P. 5)

SEN. HART TO EXAMINE networks' 1974 movie contracts, is close to calling hearing on practices vis-a-vis cable & pay cable. Weisberg cites 15 more films, says networks thwart FCC. (P. 6)

CBS RECORD SALES & INCOME are 'best in our history'; TV network, owned stations, Radio Div. all report increases, with largest contribution from TV network. (P. 6)

Consumer Electronics

COLOR SLUMP DEEPENED in Jan., only 400,000 sales to dealers, annual rate 5.8 million. Production in line with sales, so inventories are unchanged from Dec. (P. 8)

GE HALTING PHONO production, will close Decatur plant by midyear, out of compact & component systems as well as portables. (P. 9)

90-DAY WARRANTIES on color official, as Zenith confirms policy, but set makers say they'll need price increases on new sets, too. (P. 9)

COLOR TUBE PRICE INCREASES collapse, Sylvania rescinding 10% boost after RCA wipes out scheduled hikes because of competition. (P. 10)

JAPAN'S COLOR EXPORTS to U.S. slipped 8.5% last year, still topped million. B&w off 11.6% to 10-year low. (P. 11)

BOWMAR FILES BANKRUPTCY petition as creditors balk; Pres. White quits. Rockwell, National Semiconductor shake up calculator staffs. (P. 12)

NEW WATCH DISPLAY overcomes drawbacks of LED & LCD, some industry experts believe. Electrochromic displays require less power, provide high contrast. (P. 12)

FAMILY-VIEWING GETS NATPE ATTENTION: Relegating prime-time access rule to minor role—after it had dominated last 2 NATPE conventions—record number of registrants at last week's conference in Atlanta's Hyatt Regency promoted family-viewing concept (Vol. 15:6 p2) into prime topic. They had FCC Chmn. Richard Wiley as keynote speaker to defend his "jawboning" of networks & NAB TV Code and they heard Rep. Clarence Brown (R-O.) criticize Commission's involvement in self-regulatory process.

Also present were 3 TV network presidents to say they had not been "coerced" by Wiley. On same panel, station gen. mgrs. charged there had been coercion. Strongest criticism of all came at meeting of independent stations where Code proposal to reserve 7-9 p.m. nightly for family programming was attacked. "Is there anybody in this room against what the NAB is doing or are we all going to lay down and die?" asked one independent operator. Echoed another, a TV Code subscriber: "This is censorship as clear as anything is censorship... Maybe we all should leave the Code."

Conference attracted 811 paid registrations—including more than 100 group executives & gen. mgrs.—vs. 803 in L. A. year ago. Total registration was 1,352 vs. 1,101 in 1974. Also

CALCULATOR SHAKE-OUT: Intense price competition, which is rapidly thinning ranks of independent calculator assemblers & marketers, is now beginning to impact on fully integrated manufacturers. Of industry's "Big 4" producers, one has filed bankruptcy petition. 2 others have launched major realignments, while smaller firm reported operating loss.

Seeking protection from creditors, Bowmar filed Chapter 11 reorganization request in N.Y., showing liabilities exceed its \$49 million assets by \$121,000. Company said it can't meet payments on loans exceeding \$32 million, and creditors refused to waive defaults; some have brought suit. In wake of filing, Meazell resigned; William Crilly, ex-Pan American Pres.-Chmn. Edward White & Finance Vp William Airways, has been named to succeed White as pres. Earlier, Bowmar said its delayed report for year to Sept. 30 would show loss of about \$20 million on \$80 million sales, significant change from estimate of \$11-\$13 million loss on \$82.5 million sales and decrease to inventory & receivable writedowns and decision to write off all deferred development expenses, noted that calculator sales in first quarter showed recovery from 4th quarter slump. In court petition, Bowmar said troubles began when Texas Instruments "failed to deliver" needed parts, indicated changes made & planned would enable it to operate profitably in future.

Most comprehensive realignment was announced by Rockwell, which earlier reported calculator operations contributed to profit slump in last quarter (Vol. 15:3 p12). Rockwell eliminated Business Equipment Div. (BED) established in 1973, is phasing out former Unicom calculator plant in Sunnyvale, Cal., transferring just 25 of 160 employees to Anaheim hq. Former BED Vp-Gen. Mgr. Dino Sirakides shifts to same post at restructured Microelectronics Products Div. (MPD)—consumer calculator & components manufacturing arm—which takes over BED's activities, including those of U.K. subsidiary Sumlock-Anita. Former MPD Vp-Gen. Mgr. Harold Edge moves to subsidiary Collins Radio as business & mkt. development vp.

National Semiconductor has hired Robert Lloyd, founder & ex-pres. of Advanced Memory Systems, for new post as group dir. for MOS LSI products, giving him responsibility for marketing, manufacturing and engineering of calculators, watches & ICs. Corporate Mktg. Dir. Gene Carter has been reassigned as product marketing manager for microprocessors, one of 8 groups, including calculators, created in reshuffle. Mostek said 4th-quarter earnings fell 89%, and profits for year dropped 41%, due to losses of Corvus calculator unit and margin decline in semiconductors. Corvus loss in last 3 quarters was estimated at \$1.8 million. Mostek said Corvus had sales decline which is expected to continue through first half this year.

Tandy Instruments is new calculator, clock & digital meter manufacturing operation of Tandy Inc. First customer is sister operation Radio Shack, previously supplied by TI.

NEW WATCH DISPLAY: Are electrochromic displays the answer? Some display scientists believe new technique overcomes drawbacks in digital watch readouts: Light-emitting diodes are inconvenient because switch must be pushed to turn on display—a 2-handed maneuver. Liquid-crystal displays are too hard to read without direct exterior or power-driven interior illumination.

Electrochromic displays use metallic chemicals which change to dark color when voltage is applied. Once changed, they retain color until voltage is reversed. Displays use conventional 7-segment arrangement, require less power than LEDs or LCDs, can be read in as little light as conventional dial watches, are driven by standard electronic dial and are considered cost-competitive. They can be made in virtually any color, stand out clearly against sharp contrasting background.

Considered leader in field, American Cyanamid, which holds several patents, has licensed Swiss watchmaker Eubaches to use displays in experimental program. Relatively slow response time precludes EC use in calculators.

Treasury finalized order issued last Aug. excluding Sony from 1971 finding that Japanese TVs were being dumped in U.S. (Vol. 14:23 p11). While Sony hasn't been subject to any dumping duties in past anyway, exclusion frees company of need to submit home-market manufacturing & sales records Customs uses to insure imported sets are fairly priced. Meanwhile, we've learned Treasury is considering adopting more restrictive policy on allowable expenses exporters may deduct from home-market wholesale prices when comparing them with export-to-U.S. pricing in dumping cases. Dumping duties are levied on difference between export and adjusted home prices.

Sony will participate directly in Canadian market for first time if govt. approves creation of joint sales venture with General Distributors. GD currently has exclusive Canadian distribution rights for Sony consumer electronics. Move is part of Sony effort to increase control over marketing. In U.S., Sony has replaced most independent reps with factory salesmen over last 2 years, this year added cassette recorders to line under contract which calls for phasing out Superscope as exclusive U. S. distributor of Sony audio tape products.

Video session March 4 at ITA annual seminar March 2-6 in Tucson will feature MCA Disco-Vision Pres. John Findlater and Bell & Howell Vp Robert Pfannkuch. Some 52 workshops will cover industrial uses of audio & video equipment and production techniques. Guest speakers include Jerald Herffers Art Buchwald, Virginia Knauer, Joyce Brothers, Jesse Owens, Robert Pierpoint, Henny Youngman.

NESDA estimates there were 72,165 service dealers and 183,566 technicians at end of last year, drop of 6.5% & 10%, respectively. Exec. Vp Dick Glass cautioned that data for earlier years was probably overstated, exaggerating drop in 1974.

CORNING QUILTS B&W: Corning is dropping all b&w TV bulb production in N. America, has begun phase-out of color bulb output in Canada. Corning said move won't affect b&w bulb activities in France, Korea, Mexico & Taiwan.

Corning announced start of year-long phase-out of bulbs at Albion, Mich., its last U.S. b&w facility, said color glass production would continue there. Company said demand drop makes it uneconomical to produce b&w bulbs in U.S., indicated current Albion workforce of 300, down from 900 peak, may be lowered further. Corning decision leaves Lancaster Glass & Owens-Illinois as only b&w bulb suppliers here.

Shutdown of Muskoka, Ont. plant will leave Canada without a domestic source for TV bulbs. Spokesman there said quitting of b&w was related to Westinghouse's closing of local industry's last b&w tube plant at year end. Corning plant has produced capacity for million TV bulbs annually, projects just 900,000 in 1973, 740,000 last year and expects just 400,000 this year, it was indicated. Contributing to decision is total loss of export market, which accounted for 365,000 bulbs in 1973, 220,000 in 1974. When operating at capacity, 155 were employed at Muskoka. Corning said closing would take 12 to 20 months.

GE will close Rockford, Ill. console TV cabinet plant by Sept., switching to outside sources, which it says can meet needs more efficiently. . . **Sylvania** recalled 175 color TV production workers idle since Dec., at Batavia plant over last 3 weeks. . . **Hitachi** will return to normal work schedules at color plants at end of month. For past 4 months, they've been closed 4 extra days a month. Shutdowns have helped trim inventory from 3 months' supply to normal 1.5 months. . . **Centralab**, subsidiary of Globe-Union, will close Milwaukee ceramic plant & Lafayette, Ind. thick-film circuit plant for month, beginning this week. About 350 workers are affected, bringing company-wide layoff to 1,450—24% of total employment. Management expects order slump to bottom out in April. . . **Fairchild Camera** closed Shiprock, N. M. semiconductor assembly plant that was occupied for week beginning Feb. 24 by Indian militants because it "couldn't be reasonably assured that future disruptions wouldn't occur." Built in 1969 on Navajo reservation, plant employed 500 in Feb., down from 1,000 last year. Additional layoff of 150 triggered takeover. . . **Sprague** says it's planning job cuts of undisclosed size at all 20 plants. It employs 7,500.

TV game may be National Semiconductor's next major consumer product. Novus Div. spokesman said test marketing may begin this year, price dependent on whether company decides to develop special ICs or use discrete components. Novus showed prototype at recent New York Toy Show of game similar to Magnavox Odyssey, but not requiring screen overlays. Firm entered toy market earlier this year with specially packaged calculator & game book sets.

MARCH 17, 1974

CALCULATOR TROUBLES: Latest casualty in calculator demolition derby casts doubt on conventional wisdom that vertically integrated domestic firms will triumph over assemblers & importers. IC maker Mostek (its Corvus subsidiary being own-brand marketed Aug. 1973) will end production by June 1, turning over brandname & distribution set-up to assembler Colex Ltd. of Hong Kong. Corvus lost about \$1.8 million in last 3 quarters of 1974. Colex U.S. distributor International Typewriter Exchange (ITE) will oversee marketing of both Colex & Corvus lines. ITE Colex Div. National Sales Mgr. Bruce McGuinn told us initial Corvus-by-Colex line will be same as that shown at Winter CES by Mostek, though prices will probably be lower. Included in Corvus deal was agreement giving Colex access to future Mostek technology, he said, but Colex will be free to buy from other vendors. "We don't subscribe to the vertical-integration theory that has been bouncing around this market," he said. Meanwhile, Mostek says it hasn't abandoned plans to introduce other consumer products.

Pioneer calculator assembler Bowmar, which sought salvation through vertical integration only to wind up in Chapter 11, will report more than \$20 million loss for year ended Sept. 30 when long-overdue fiscal 1974 audited figures are released at end of month, according to Pres. William Crilly. He said resumption of trading in stock, suspended since Feb. 3, is one of top priorities. Firm has lost some market share as result of dealer reaction to financial troubles and own efforts to weed out slow-paying accounts. According to Crilly, company is well below all-time peak of 3,500 dealers—which itself is far cry from 10,000 claimed by company last year (Vol. 14:3 p13)—and fewer than 200 account for 80% of calculator sales. Recently, Bowmar cut \$10-\$20 off prices of 3 handheld units in \$50-\$100 range, laid off 220 of 3,100 workers.

Summit International, Salt Lake City promotional assembler, has gone under, work-in-progress foreclosed by bank and sold to Abatronics of Stamford, Conn. And Princeton Materials Science, supplier of liquid-crystal watch displays, has filed for voluntary bankruptcy. Backer Sprague Electric wrote off investment, refused to provide more working capital.

Calculator imports nearly doubled last year to 7.15 million, while value rose 28.7% to \$248.9 million, Commerce Dept. reports. Leading supplier was Japan with 3.6 million units, up 52.4%, followed by Mexico with 1.9 million, up 210.5%. Biggest growth was from Malaysia, which supplied 714,000 units, up from 21,000 in 1973. Imports from Hong Kong jumped 96.7% to 281,000, while Canadian shipments slipped 15.8% to 255,000. U.K. supplied 110,000, up from 11,000 in 1973.

Casio will quit desk-top calculator market in Canada under terms of agreement to become private-label supplier to Canadian Philips. Philips said it would introduce next month about 6 desk models in \$300-\$400 range plus dozen hand-held calculators from \$25 to \$230, from National Semiconductor.

Trade Personals

John Sohn elected Arvin Consumer Group vp. . . Shiro Yamada shifts at Sony from senior managing dir., heading Inazawa color tube plant to vp in charge of San Diego color set & tube plants, succeeding J. Kodera, who returns to Japan. . . Minol Araki, ex-Kodera, who joined Major Electronics as product designer for Emerson line. . . Hy Tessler, ex-Webcor, signs for Carnegie Electronics national sales vp, succeeding Robert Noble, resigned.

Robert Platt, ex-Magnavox pres., elected vice chmn. of Lone Star Industries (cement). . . Roy Thiels named National Semiconductor Novus Div. clock & game operations dir.; Joe Obot named calculator & game operations mgr. Both were involved in marketing clock mktg. mgr. to consumer product manufacturers for components to consumer product manufacturers for parent company. Michael Luckman, ex-pres. of Magic Village toy store, named Novus toy & game product mktg. mgr.; Keith Kolerus shifts from Semiconductor Div. west-central region sales mgr. to central states sales mgr.

John Henry advanced from Rockwell International corporate development vp to senior vp-corporate staffs, succeeding Wallace Booth, resigned. . . Robert Arnstein, ex-Computer Design, named Sharp Industrial Equipment Div. special products mgr. . . Richard Hyman resigns as Melcor mktg. & sales dir.; Jack Wellington, asst. to pres., succeeds him on acting basis.

Robert Means named domestic sales vp of new RCA Picture Tube Div., created in realignment of Electronic Components (Vol. 15:10 p12). Other appointments: Charles Thierfelder, mfg. vp; William Hartzell, international operations vp; Stanley Roseberry, finance vp; Clifford Lane, technical planning vp; Lawrence Kameen, industrial relations vp; Robert Dunn, domestic mkt. planning dir.; Arnold Durham, news & information mgr. . . Edward Nemeth promoted to Finney plant engineering & antenna design & development vp. . . Robert Jablonski, Hoffman Electronics Consumer Products operation vp-gen. mgr., adds duties as gen. mgr. of antenna-making subsidiary Lance Industries in consolidation of 2 units; Milton Mann, ex-Lance pres., named Industrial Products Div. vp.

Russell DuBols, onetime Omron Systems pres., named Varadyne pres., succeeding Leonard Schenkel, resigned; Edgar Greenbaum Jr. elected chmn. . . Robert Skinner resigns as Fairchild domestic semiconductor sales dir. to join Intersil as sales vp. . . John Dunn, ex-Beckman Instruments liquid-crystal displays product mktg. mgr., joins American Micro-systems as display systems mktg. mgr.; Lyle Pittroff succeeds Dunn at Beckman. . . John Fulton, ex-Monsanto Electronics Div., named Plessey Packaging mktg. dir.

Rolf Haberecht, ex-N. Texas semiconductor operations mgr., named Semiconductor Group mgr., reporting to Chang; Edward Hill named International semiconductor trade operations mgr., in exchange of jobs with Ronald Ritchie, now U.S. consumer products mgr.; Norman Einspruch, Central Research Lab mgr., adds duties as corporate development

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Avco			
1974-year to Nov. 30	628,432,000 ^a	(20,687,000)	--
1973-year to Nov. 30	623,327,000	(22,604,000)	--
Erie Technological Products			
1974-year to Dec. 31	75,340,000	2,531,000 ^b	2.40
1973-year to Dec. 31	70,640,000	3,640,000 ^b	3.49
1974-qtr. to Dec. 31	17,060,000	170,000 ^b	.16
1973-qtr. to Dec. 31	18,004,000	234,000 ^b	.23
ITT			
1974-year to Dec. 31	11,154,401,000	451,070,000	3.83
1973-year to Dec. 31	10,183,035,000	527,837,000 ^c	4.22
LIN Bestg.			
1974-year to Dec. 31	23,767,000	2,175,000	.95
1973-year to Dec. 31	22,088,000	2,729,000 ^d	1.18
1974-qtr. to Dec. 31	7,270,000	560,000	.25
1973-qtr. to Dec. 31	5,676,000	663,000	.29
Ogilvy & Mather			
1974-year to Dec. 31	522,809,667 ^f	5,465,095	3.02
1973-year to Dec. 31	476,293,540 ^f	4,967,674	2.73
1974-qtr. to Dec. 31	156,844,667 ^f	2,244,913	1.24
1973-qtr. to Dec. 31	140,424,540 ^f	2,118,891	1.16
Republic			
1975-6 mo. to Jan. 31 ^h	127,042,000 ^g	8,651,000 ^g	.61
1974-6 mo. to Jan. 31 ^h	104,432,000 ^g	4,011,000 ^g	.29
1975-qtr. to Jan. 31 ^h	58,380,000 ^g	2,788,000 ^g	.19
1974-qtr. to Jan. 31 ^h	52,667,000 ^g	2,061,000 ^g	.15
Starr Bestg. Group			
1974-6 mo. to Dec. 31	15,860,038	782,333	.81
1973-6 mo. to Dec. 31	14,407,376	986,110	.88
1974-qtr. to Dec. 31	8,085,303	372,855	.32
1973-qtr. to Dec. 31	7,781,312	507,460	.46
Superscope			
1974-year to Dec. 31 ^h	157,200,000	9,900,000	4.30
1973-year to Dec. 31 ^h	119,000,000	9,800,000	4.24
1974-qtr. to Dec. 31	41,700,000	1,600,000	.71
1973-qtr. to Dec. 31 ^h	35,900,000	3,300,000	1.43

Notes: ^aSales. ^bAfter special charge. ^cLIFO inventory evaluation. ^dAfter special items. ^eIncludes special credit. ^fBillings. ^gFrom continuing operations. ^hRestated.

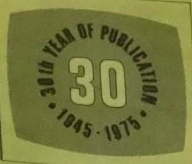
mgr. & asst. vp; Alfred Stein promoted from silicon small signal devices mgr. to asst. vp & Electronic Devices Div. mgr. . . Herbert Brunn, RCA vp-consumer affairs, appears at CBBB forum on FTC Warranty Act March 21, Washington Hilton.

Magnavox is transferring purchasing activities of Consumer Electronics Group from Ft. Wayne corp. hq to Greenville, Tenn., where plants are located, in what may be prelude to eventual phaseout of Ft. Wayne office. Spokesman said move, to be completed this month, is "designed to improve the logistic posture. . . decrease costs and increase operational effectiveness." It's not known whether move involves any reduction in employees.

Waiver of UHF tuner rules was granted by FCC to Quasar, allowing use of 107,440 tuners scheduled for sets to be made July-Nov. Quasar said 96% of tuners meet Commission's 2-MHz accuracy test and balance are accurate within 3MHz.

WEEKLY
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Television Digest, Factbook & Atlas NCTA Convention Hq: Marriott Hotel.

APRIL 14, 1975

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 15, NO. 15

Broadcast

NCTA CONVENTION—CAREFUL GROWTH: Conservatism & realism are themes, but cautious optimism remains for pay cable, satellites, etc. Roundup of key speakers' topics. Attendance predictions down slightly, exhibitors way down. (P. 1)

NAB—MOSTLY GOOD IN VEGAS: Family viewing highlighted with 2-year waiver for shows under contract. President Ford skips broadcasting in years (P. 2). Says it's most successful convection in years (P. 2). Willey on renewals (P. 6). Wasilewski hits govt. intransigence (P. 6). Few sparks at FCC panel. (P. 7)

MARKET-CABLE COOPERATION theme of smaller-market stations, dual carriage seen easing friction. Electronic news among hottest topics. (P. 4)

TV PROGRAMS OF FUTURE: 'Family viewing' boils as panelists accuse each other of money motivation, bowing to govt. dictation. Program outlook: Emotional conflict, realism. (P. 5)

SYNDICATORS SAD AT NAB: Traffic & sales very poor, most say they won't host suites at future conventions. New assn. formed this week. (P. 5)

'BLATANT EXCLUSION' OF BLACKS by broadcast-union hit in convention speech by Jackson; calls for 'blankouts' of TV. (P. 6)

ELECTRONIC NEWSGATHERING gear steals spotlight again at NAB equipment exhibits, but this time there's real buying. Self-adjusting studio cameras, optical-scan production VTRs also highlighted. (P. 8)

NCTA CONVENTION—CAREFUL GROWTH: Conservatism & realism, again, are true themes of NCTA convention in New Orleans, as cable industry continues to recover steadily from raging fever of several years ago—produced by mindless expansion. Yet, even as cablemen shy from blue sky, they have cautious hopes for extras such as pay cable, applauding UA-Cablevision's announcement of plans to build earth stations for satellite feeds of HBO programs to its systems in Fla., Ark., Tex., Ariz., Cal. & Wash.—starting Oct. in Fla. (see p. 4).

Though major issues are familiar, there'll be more sophistication than ever in discussions: Pay cable, copyright, sports, financing, pole attachments, rates, non-duplication, re-regulation, Congress, etc.—and much more professional technical agenda.

Featured performer, FCC Chmn. Willey, still hadn't finished speech late April 11. How-

FTC DENIES ACT PETITION to ban food ads during children's TV, Engman & Hanford dissenting. Choate says Engman stalls on premium ad ban because he's sure Commission will defeat rule. (P. 9)

NAB & FCC KID TV 'FRAUD' charged by Choate. Petition asks program coverage outside children's 'prime time.' (P. 10)

Consumer Electronics

LATE-MARCH SAG in color sales fails to dispel manufacturers' growing optimism. 'Worst is behind us,' says Zenith's Nevin, planning production increase. (P. 11)

TARGET DATE & PRICE for videodisc player will be met, says North American Philips, responding to skepticism. But Zenith calls \$500 tag 'optimistic,' sees little sales activity before 1978. (P. 12)

CALCULATOR CRISIS looms for vertically integrated U. S. producers as advantage shifts to Orient assemblers. Value of integration in electronic watches also questioned. (P. 12)

JAPAN'S FEB. audio exports to U.S. joined TV in slide from levels of same month last year. Unit shipments of radios, phonos & recorders down 36%-56%. (P. 14)

DEALERS HIT WARRANTY cutbacks on TV at NARDA convention. Spirits lifted by signs of sales improvement, but manufacturers are still more optimistic than retailers. (P. 14)

CANADA'S 1974: In 1974, for 2nd year in row, Canada's color TV marketers fell just short of million mark. Despite 4th-quarter slump, industry closed out year with 2.7% gain in total color market (domestic factory sales plus imports) to 998,362, while b&w total at 428,929 was off 13.8%, for grand TV total of 1.4 million, off 2.9%.

Increase in TV all came in import sector as Canadian factory total sales dropped 17.5%, with color off 8.8%, b&w slaking 40.7%. In contrast, total TV imports jumped 15.3%, with color up 21.1%, b&w 1.6%. Total color TV import increase and more can be credited to Japan which supplied 249,000, up 54.8% from 1973 total, while imports from 2nd biggest supplier, U.S., slipped 7.1% to 184,000.

Canada's TV market took pounding in final quarter when total TV dropped 13.8% to 390,000, color falling 11.2% to 223,000, b&w 20.2% to 107,241. Full brunt was borne by domestic plants which saw their total sales dropping 33.9% to 173,000, color dropping 25.8% to 149,000, b&w nearing vanishing point at 25,000, off 41.6%. At same time, total imports rose 13.7% to 217,000, with color up 16.1% to 134,000, b&w up 9.9% to 83,000.

Combination of lower domestic sales and higher imports left Canadian factories with record low market shares. For all of 1974, Canadian plants held 67.2% of total TV market, down from 55.6% in 1973, including 54.4% of color (down from 61.2%), just 30.6% of b&w (down from 44.4%). Domestic TV

MAGNAVOX LOSSES: Magnavox Consumer Electronics Group incurred \$42.1-million pre-tax loss last year, compared with \$5.8-million deficit in 1973, according to annual reports of Magnavox & parent North American Philips. CEG sales fell 20% to \$257.1 million, 49% of volume, down from 51% pre-ceeding year. TV sales fell about 25% to \$160 million, while audio and other products held even at \$93 million. CEG accounted for 161% of company's \$29 million pre-tax loss last year as both Home Furnishings-Music and Govt.-Industrial Groups operated in black.

Magnavox warranty costs shot up from \$14.5 million in 1973 to \$30.9 million last year, primarily because "of higher labor costs for electronic repairs"; ad expenses dropped because of co-op cuts; R&D costs fell 8%, following 12% reduction in 1973; interest expense rose 49%. CEG closed year with reduced finished-goods inventories achieved by 4-week plant closings in 2nd half. Company said that sales of MX hi-fi line & Odyssey TV game were up, and that CEG losses are expected to continue in 1975, but at reduced rate.

Oak will give Motorola 7-year, \$2.5 million note for Taiwan b&w TV plant (Vol. 14:47 p10), according to Oak's annual report. Oak Selectronics Div. (TV tuners) had lower sales and loss last year, results seriously affected by higher wages, production costs and freight in Taiwan & Hong Kong. Oak is consolidating in Far East, shifting TV tuner, lamp & IC production from Hong Kong to Taiwan.

Rockwell attributed drop in net for fiscal 2nd quarter & half to March 31 to depressed market for

production dropped 15.5% last year to 704,131. Color output fell just 2.7% to 591,845 from 1973 record of 608,504, but b&w manufacture was cut more than half from 225,145 to just 112,286.

Here are Canadian consumer electronics factory sales & imports from Dominion Bureau of Statistics. Missing from table below are domestic auto radio sales. DBS has withheld those figures, an action usually taken when fewer than 3 manufacturers report sales.

CANADIAN FACTORY SALES (Domestic-made only)

Product	1974	1973
Total TV	947,901	810,024
color	536,782	568,802
monochrome	131,119	221,222
Radio-phonos	152,305	122,495
Phono, stereo	35,942	44,321
Phono, mono	91,527	92,852

CANADIAN IMPORTS

Total TV	747,380	647,936
color	449,570	371,274
monochrome	297,810	276,662
Transistor radio	1,301,553	2,848,740
Auto radio	943,493	696,146
Radio-phonos	707,032	751,861
Phono	94,568	83,069

Admiral products, continued weakness in other consumer products. Indicated Admiral sales in fiscal first quarter (to Dec. 31) were \$111 million (down 21%), \$108 million in 2nd quarter; Admiral results for Jan.-March 1974 aren't available.

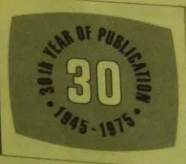
Sharp drop in electronic digital watch prices by 1980 as production costs are cut by 60% is predicted by HMW Industries. HMW says it should cost \$10.60 to manufacture watch then against \$34 in 1974. Price list for 1980, with 1974 costs in parentheses: IC chip \$2.10 (\$10), display \$2 (\$8.50), quartz crystal \$2 (\$3.20), labor & overhead \$3 (\$6), other parts \$1.50 (\$6.30)... **Toshiba**, major supplier of ICs for Japanese liquid-crystal display watch, is trying to crack U.S. market with 2 circuits, both providing hours, minutes, seconds & dates, with one also offering year, month & day of week... **North Electric**, Ft. Lauderdale, is showing prototype of LED watch module. Company now provides substrates to other module OEMs.

Schaak Electronics files Chapter XI petition following seizure of \$1.2 million in deposits by banks. Meanwhile, U.S. Pioneer has sued American National Bank for \$1.4 million, charging it continued shipping merchandise to Schaak because bank led it to believe \$4-million loan agreement had been reached with retail chain. Schaak operates over 40 outlets, including 19 Allied Radio stores it bought from Tandy last year. It plans to close 11 Allied outlets because of disappointing sales.

Fire at Mostek Carrollton, Tex. silicon wafer plant will close plant 4 weeks.

WEEKLY
**Television
Digest**

with
**Consumer
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The authoritative service for broadcasting, consumer electronics & allied fields

APRIL 21, 1975

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 15, NO. 16

Broadcast

PAY TV & SATELLITES LIFT NCTA: Prospects excite cablemen in otherwise subdued convention, in meeting stressing copyright, regulation, politics, sales. Attendance down, hopes up. (P. 1)

DOWN-TO-EARTH BLUE SKY: Pay-cable spotlighted-satellites stressed. Other reports: Allentown, L. A., Columbus, Pensacola, Atlanta, San Angelo. Weisberg attacks FCC film rules. (P. 2)

FCC RESPONSIVE TO CABLE, Wiley tells NCTA convention in listing year's accomplishments. Lovett gives Commission 'decent grades' (P. 3). Foster theme is unity. (P. 4)

COPYRIGHT CAUCUSING: Aid from Ringer & Baker. Warning from Valenti. Argument among Wiley, Ford, Allen, Schildhause, Foster, Lovett, et al. (P. 5)

NCTA VIEW FROM THE TOP: Rifkin says financial difficulties help cable mature. Eger glad 'blue sky' is behind. Hathaway sees 'breathing room' from Congress. (P. 6)

CTAC'S FINAL RESULTS: 15-4 vote approves document going to FCC shortly. Covers cable-compatible receiver, channel planning, rules covering types of services, etc. Head & Bartlett disturbed. (P. 7)

SUPPLIERS' SUMMARY: Most cable equipment makers optimistic for long term, but action at convention wasn't heavy. Prices cut. (P. 8)

PAY TV & SATELLITES LIFT CONVENTION: NCTA's annual meeting in New Orleans could well be noted, in later years, as point when pay-cable got off ground, literally, as entrepreneurs committed themselves to use of satellites. It's reminiscent of 1960, when industry moved from peanut phase, convening in Miami's Fontainebleau (Old Vol. 15:25 p2).

History may prove pay-cable-satellite combination mere flash-in-the-sky, but nobody thought so in New Orleans last week. Pay-cable sessions, even those at 8 a. m., were SRO (for details see p. 2).

It was fairly subdued meeting otherwise, but with long-term optimism often expressed. Attendance was way down—3,482 vs. 4,398 year ago (adjusted from 4,883 reported then, Vol. 14:17 p2), 6,240 in 1973, 4,950 in 1972. Copyright was next major topic (p. 5), with sports, "excessive regulation," politics (p. 6), equipment (p. 8), sales (p. 8) strong issues—along with customary panels on marketing, operations, etc. FCC Chmn. Wiley insisted Commission is "responsive" (p. 3), out-going Pres. Foster called for unity (p. 4), as did other major speakers (p. 6).

CBS SHAREHOLDERS REJECT resolution aimed at 'corporate responsibility.' News policy & AIM resolution dominate annual meeting. First quarter 1975 sales & earnings up. (P. 9)

Consumer Electronics

HOME VIDEOCASSETTE recorder offered by Sony at \$760 for deck, \$1,500 for TV console in Japan next month; U.S. sales expected in fall. (P. 11)

MARCH COLOR SALES at 6.2-million annual rate, up from 5.7 million in Feb., despite letdown at end of month. Inventory glut in black-&-white creates concern (P. 12). First quarter at-a-glance (P. 15).

CPSC DELAYS release of 'confidential' TV accident data until May 1 to permit time for court challenges. Sharp plans recall of 15" color portables to correct X-radiation potential. (P. 12)

COLOR TV MAKERS' profits off sharply in opening quarter. Warwick, Curtis Mathes show losses; RCA, Sylvania & Zenith blame TV business. (P. 15)

QUASAR VALUE DISPUTE between Motorola & Matsushita: Motorola says renegotiation lowered price it will receive for assets of TV business. (P. 15)

ELECTRONIC WATCH sales will hit 25 million in U.S. by 1980, 50 million worldwide, according to Hughes Aircraft projections. Average retail price seen dropping from \$150 to \$40 by 1980. (P. 15)

VIDEOTAPE ECONOMY: True measure of tape economy in video recording is area required for given playing time. To compare new Sony Betamax (see p. 11) with other leading industrial-institutional-consumer VTR systems in terms of tape usage, we've computed number of sq. ft. of magnetic tape required for hour's playing time, based on manufacturers' specs.

Figures are approximate—some of them tentative—and don't take into consideration type & thickness of tape required (chromium dioxide tape costs more than iron oxide; thinner tapes tend to cost more than thicker). Table lists systems in order of increasing tape usage.

System	Speed (ips)	Tape Width	Sq. ft./hour
Sony Betamax	1.57	1/2"	20.6
*BASF LVR	120	1/4"	26.8
V-Cord	3.75	1/2"	46.9
Cartrivision	3.8	1/2"	47.5
*Amer. Videonetics	2.88	3/4"	54.0
*RCA MagTape	3	3/4"	56.2
Alkal	10	1/4"	62.5
Philips-VCR	5.6	1/2"	70.0
U-Matic	3.75	3/4"	70.3
EIA-J Type I	7.5	1/2"	93.8

*Developmental; data not final.

Energy consumption cut of 50% from 1972 level for new TV sets by 1980 is goal tentatively set for industry by National Bureau of Standards. Target was proposed by NBS at meeting last week with industry & EIA representatives. Industry is being given 2 weeks to comment on plan, which calls for development of industry-wide energy factor by dividing TV screen size by wattage after adjusting for production mix. NBS spokesman said agency would be prepared to amend formula in response to changes in manufacturing technology.

Suitcase-sized portable U-Matic player was announced by Sony for U.S. industrial-institutional market next fall. Portable plays 20-min. 3/4-in. cassettes, presumably is designed to compete with salesmen's carry-along film cartridge projectors. New model is playback-only version of portable recorder, widely used by TV networks for electronic newsgathering.

Anti-fair trade bandwagon has attained overwhelming momentum at state level, even as Congress prepares nationwide coup de grace. At last week's end, repeal bills awaited governor's signature in N. Y. & Conn., had passed at least one house of N. J. & Ill. legislatures. Repeal also appears likely in Cal. Resisting trend, Md. House of Delegates rejected repealer.

Distribution notes: Zenith names Bluefield Distributing for Richmond, Va., formerly served by Elliot & Bottom Corp. George Atkinson, ex-Elliot & Bottom Zenith sales mgr., named to same post at Bluefield; James Hankla is Bluefield vp-gen. mgr.

Mergers & acquisitions: Sony's W. German marketing subsidiary has acquired 100% of Wega Radio, privately held TV & appliance producer, price undisclosed. Wega, which employs about 1,200 and has estimated sales of \$52 million, will continue under current management, but may become producer of Sony-brand products... **Stancor Products Group** of Essex International has sold TV replacement parts business & inventory to Thordarson-Meisner. T-M, which supplied some of Stancor line, also gets 1,200 distributors who handle Stancor deflection components & controls... **Essex International** has acquired Cleveland Electronics, manufacturer of OEM speakers and TV camera deflection components, price undisclosed... **Dictaphone** called off buying Sterndent because it couldn't borrow needed \$40 million on satisfactory terms... **Allen-Bradley** sold control of MOS Technology back to company's founders, said products didn't complement A-B line as had been hoped.

"Worst is over," RCA Staff Vp & Chief Economist Robert Eggert told American Mktg. Assn. (AMA) conference in Chicago last week. Eggert, who also is AMA pres., forecast recession would bottom out in 2nd quarter, with gradual improvement starting in 3rd quarter and picking up momentum in 4th. Timing & velocity of recovery hinges on consumer spending, he said, noting Americans have been saving at highest rates since World War II. When confidence returns, he predicted that savings plus tax refunds & rebates will trigger strong recovery. He urged these steps to help improve marketing and the economy: (1) Tax incentives for technical, marketing & economic research. (2) Find ways other than recession to curb inflation. (3) Use profit motive rather than govt. regulations to improve marketing practices. (4) Utilize modern communications techniques to avoid excessive inventories. (5) Better cooperation between business & govt.

High-resolution color tube was demonstrated by Panasonic at recent IEEE show in N. Y. Company claims twice the resolution of standard shadow-mask tube for new series. Phosphor dots have been increased fivefold by reducing space between shadow-mask holes to 0.012 in., less than half that of conventional tubes. Tube is negative-matrix type, with phosphor dots produced by direct-exposure method. Suggested applications: Closed-circuit TV, computer display terminals, TV broadcast monitor, "high-grade TV system of the future." Tube is available in 4.5V", 13V", 15V", 19V" & 20V" sizes.

Italy will choose PAL color, but colorcasting may not start for some time. Post Office has recommended German system over French SECAM, choice expected to be ratified by Budget Ministry—but Deputy Prime Minister Ugo La Malfa objected to color programming within next year as economic extravagance.

Correction: Industry sales will return to record pace of 1973 by 3rd quarter of 1976, RCA Mktg. Programs Mgr. Arnold Valencia predicted. Our report last week indicated he had said this would occur by 3rd quarter of this year.

APRIL 28, 1975

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Broadcast

FCC'S SENATE OVERSIGHT smooth as Pastore skips usual tough questions. Hartke, Black Media Coalition cause only sparks. Pastore sees family hearing as 'tremendous progress,' Hartke says it's a failure. Choate repeats charges. (P. 1)

BROADCASTING-CITIZENS GROUP agreements near; FCC policy statement in notice of inquiry stresses licensee responsibility and good faith. (P. 3)

NOTA'S CRUCIAL COPYRIGHT DEBATE at Board meeting follows testing of Washington waters by ad hoc committee. OTP & FCC cool to changes. Same for McClellan, but Kastenmeier staffers says they're still open. (P. 4)

PTAR 3--REASONED OPINION: Appeals Court upholds prime-time access rule, though FCC is ordered to define 'public affairs,' treat all movies same and set hour limit on exempted shows. (P. 5)

CBS STICKS WITH 5 YEARS: Loomis tells Macdonald that if 5-year bill fails, he'll go for one-year bill, try again for 5 next year. (P. 5)

ABC EARNINGS DROP, REVENUE UP: Poor 4th-quarter prime-time ratings and cost of introducing new shows cited as reasons. Radio reports 'very sizable gains.' (P. 7)

FCC'S SENATE OVERSIGHT SMOOTH: In stark contrast with FCC oversight hearings in recent years before Senate Communications Subcommittee, last week's April 21-22 session was very smooth. Commissioners, spectators—even Sen. Pastore (D-R. I.) himself—commented on good mood of Subcommittee chmn., who heard most of 1-1/2 days of testimony without other senators present. At one point, FCC quipster Comr. Lee told Pastore he should be happy because "we try to carry out the policies you advocate."

Only major sparks came from quizzing of FCC Chmn. Wiley by Sen. Hartke (D-Ind.) and when Pastore—for first time—kept commissioners on hand for immediate answers to charges by black leaders Pluria Marshall & James McCuller of National Black Media Coalition. "It set a bad precedent," a comr. commented.

Pastore praised, and Hartke was critical, of NAB TV Code-adopted family viewing concept (Vol. 15:15 pl). Pastore said twice that it showed "tremendous progress" through self-regulation. "The alertness of this Committee brought much of it about," he added. Hartke argued "Industry self-regulation is a failure... you'll have to admit that"—though Wiley refused to do so. On children's TV, Hartke charged "nothing has been done, and this is a sad part of the FCC's operation."

Consumer Electronics

3 TV MAKERS SUE, get temporary orders blocking CPSC release of confidential accident data. GE, RCA, Sylvania file; Magnavox & Ford to sue this week, others may join. (P. 8)

PANASONIC GEARS DOWN for tough year, sees no turnaround until '76; shows few new-model sets, lowers some prices, raises others. 'LTD' line to fill fair-trade vacuum. (P. 9)

AUTO MAKERS' RADIO pricing & sales practices under antitrust investigation as result of all-channel radio bill hearings. (P. 9)

JAPAN TV EXPORTS to U.S. down in first quarter, despite March color rally. Japanese dock strikes close most ports; little disruption foreseen. (P. 10)

ZENITH VIDEODISC PLAYERS demonstrated at annual meeting for first time, no commitment made. Sony Betamax details. (P. 11)

ZENITH OPTIMISTIC, Wright forecasting industry comeback in 'fairly near term,' Magnavox in \$3.7-million quarter loss. New Capehart financing. Soundesign sales breakdown. (P. 12)

'WARWICK WILL SURVIVE,' Whirlpool Chmn. Platts tells stockholders. TV sales \$160 million in 1974 74% of total. Sales to non-Sears buyers up. (P. 12)

ZENITH DISC, SONY VTR: Zenith held first semi-public demonstration of its optical videodisc system last week to enthusiastic response of stockholders attending annual meeting in Chicago. Two players were demonstrated—one with frame indexing, stop & slow motion features similar to Philips/MCA, & other simply playing record straight through. Same response to questions, Zenith officials reiterated that they have worked with all systems and have not yet decided on marketing dates or which system will be produced. Both players demonstrated use light-transmissive disc, although Zenith also showed reflective discs of type used by Philips/MCA player.

More data has been received, meanwhile, on Sony's Betamax home videocassette recorder (Vol. 15:16 p11), which is expected to be shown at sales meeting this week in Fla. System achieves its great tape economy by eliminating guardband between tape tracks in manner apparently similar to that used in its Mavica video card recorder (Vol. 14:19 p20, 14:20 p12). To eliminate cross-talk between adjacent tracks, color phase polarity is inverted every other line and comb filter employed. Chromium dioxide tape is used.

Horizontal resolution in color is given as more than 240 lines, in b&w more than 280. Compact deck measures 17-3/4 x 8 x 15-3/4 in. and 30- or 60-min. cassette is 3-3/4 x 6-1/8 x 1 in., slightly larger than 8-track audio cartridge. Companion TV set has output & input terminals for picture & sound, leaf-type digital timer.

Note: We're advised by RCA that latest version of MagTape SelectaVision with 2-hour cassette moves 3/4-in. tape at 1.53 ips. (vs. 3 for original unit), uses only 28.7 sq. ft. of tape per hour. Therefore, new MagTape would be 3rd most economical system yet proposed in "videotape economy" table printed here last week (Vol. 15:16 p14), following Betamax (20.6 sq. ft.) & BASF LVR (26.8).

Watch watch: Fairchild offers to buy Exetron, supplier of watch circuits, for \$280,600, adding to already strong indications that it plans to enter finished watch market. Exetron filed Chapter XI bankruptcy petition last month, but has continued to supply customers and expects about \$3 million in sales to Timex alone this year. Contributing to Exetron's difficulties was bankruptcy of several customers owing total of \$200,000, including Bowmar, which owes \$90,000... Intel expects watch subsidiary Micro-ma, which lost money last year, to become profitable in 1975... Intersil enters wristwatch market with LED units at \$195-\$250. It already markets Chronus digital stopwatch.

Australia is moving to expand import barriers against consumer electronics, but no determination has been made whether it will adopt higher import duties or quotas. In first 2 months of 1975, Japan exported more than 35,000 color sets to Australia and there have been forecasts of shipments of 400,000-500,000 sets during fiscal year which began April 1.

PANASONIC TV: Panasonic's shortened TV line (see p. 9) starts, in color, with new 4-1/2V" battery portable at \$480, up \$10 from Jan. 1 price of discontinued similar-size model. Carryover TV" continues at \$300; new 12V" is \$300, with step-up to 13V" carryover at \$320 & \$350 (down \$30 & \$20). New 19V" leader is \$400 (down \$30); carryover 19V" remote is unchanged at \$550. In modular chassis, 19V" carryover leader is \$450 (down \$50), step-up with cart is \$600 & \$650, respective reductions of \$100, \$80 & \$50.

B&w battery portables start with 1-1/2V" at \$360 (down \$40), 5V" is \$140 (down \$10), new 9V" is \$170, only, 9V" is \$100 (down \$5), 12V" leader \$100 (down \$10), step-ups at \$120 & \$130; 16V" is up \$5 to \$145. In 19V", prices start at \$150 (down \$5), step-up with stand \$160. In both color & b&w, most of price increases on holdovers equate to promotional prices at Jan. CES (Vol. 15:2 p8).

Trio of color models, all 19V", in Panasonic's LTD line start at \$430; step-up at \$460 features electronic channel readout; high end is \$550 model with modular chassis, 110-degree in-line picture tube, B&W LTD models, all 12V", are \$100, \$110, \$125 & \$130.

Advent has changed marketing strategy for VideoBeam projector. Company had previously franchised relatively small dealers who could provide display space, installation & service in variety of cities. New plan calls for maximum number of retail outlets in several large cities, with Advent or major franchised servicer handling installation and service. Advent will start new sales drive in Boston in 1-3 weeks, said Pres. Henry Kloss, enter N.Y. market few weeks later. Kloss said change in strategy recognizes widespread need to educate consumer on what projection TV is and provide more exposure. Advent has increased projection tube production to permit 10,000-a-year projector output rate.

Projection-TV system with 12-ft. diagonal screen for educational-institutional use was introduced last week in Tokyo by Sony, priced at about \$23,300. Light source is set of 3 modified 12V" Trinitron tubes, each emitting single color. Dichroic mirrors & 13 lenses are used. Screen is placed 11.5 ft. from projector, provides 20 ft.-lambers illumination. Screen is Kodak Ektalite with new washable coating. Deliveries start Oct. 1. New system is not to be confused with Sony's single-piece smaller home projection TV, expected to be introduced at Fla. sales meeting this week.

South Vietnam TV plants of Matsushita & Sanyo have been closed and Japanese supervisors repatriated. The 3 major Japanese shipping lines announced suspension of their joint "space charter" service between Japan & South Vietnam.

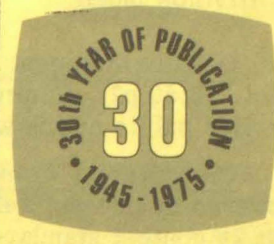
Philips is building 15-story warehouse & industrial complex in Hong Kong, scheduled for mid-1976 completion, measuring 300,000 sq. ft., accommodating 2,000 workers.

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Broadcast

FCC TARGETS HYPOING, double billing & fraudulent contests for more stringent rules, strict guides, authority to fine. (P. 1)

HAPPY NBC-TV AFFILIATES ignore problems at convention. Bicentennial plans get biggest play. Schlosser promises not to scrimp on money or talent to become No. 1. (P. 2)

PAY CABLE CHARGES of restrictive network practices & FCC rules aired before Hart Subcommittee. 'I think the movie producers hedged,' staff counsel charges. (P. 3)

FAMILY VIEWING AD CONTROLS being considered by FTC. Engman disappointed NAB Code children's ad rules apply only Sat. a.m. (P. 4)

NETWORK RADIO DROPS \$6.2 million last year on revenues of \$40.4 million. Owned stations show \$2.3 million profit. (P. 4)

NCTA COPYRIGHT POSITION reaffirmed, except it would exempt first \$100,000 income instead of systems under 1,500 subscribers. (P. 4)

ABC VIEWS FUTURE WITH OPTIMISM, but not with 'certainty,' stockholders told. 'Real growth' expected in 4th quarter. (P. 5)

Consumer Electronics

FCC IDEAL TV RECEIVER will be built under contract, if funds available, to indicate potential to Commission & industry; cost \$100-\$300,000. Wiley answers Pastore query on efforts of FCC to improve UHF. (P. 8)

ZENITH VIDEODISC market debut in '1979 at earliest.' Although officially uncommitted, Zenith works with Philips on reflective optical disc. (P. 9)

INDUSTRY CRISIS RESPONSES: Zenith—color price increase about half RCA's. Quasar—year labor warranty on high-end color. Magnavox—calls for massive price increases. (P. 9)

NEW LINES FOR '76: Zenith's 13V" color starts at \$380, varactor tuning in 70% of line, 'Zoom' feature. Quasar rebuilds with Japanese infusion. Magnavox hitches to 'STAR.' (Pp. 10 & 12)

SHARP RECALL approved by BRH—modification of 9,500 sets. Teledyne joins to block CPSC release of data. (P. 12)

FAIR TRADE CONTINUES its demise in states as bill makes steady progress in Congress. (P. 13)

ALL COLOR TUBE makers 'reviewing' OEM prices, but only 3 foresee definite increases. (P. 14)

FCC TARGETS—HYPOING, BILLING & CONTESTS: Three new rulemakings are due from FCC soon—perhaps this week—to tighten controls on hypoing, double billing & fraudulent or unfair contests. Commission will seek authority to fine stations for hypoing & for fraudulent contests (it has authority over double billing). In all 3 areas, it plans to list examples of prohibited activities. Special meeting is May 29.

FCC Chmn. Wiley is particularly concerned about the 3 practices as part of his "new ethic," has consistently voted against stations guilty of hypoing or double billing. Commission first considered hypoing last Dec., put issue aside, hoping for help from FTC, but "the Trade Commission isn't enthusiastic at all about getting into it in any way or fashion," according to FCC official. He said FTC has authority over hypoing but has acted only twice, most recently in 1970, getting consent orders both times.

New rules aren't expected to prohibit stations & networks from programming "blockbusters" during rating sweeps because "who's gonna say that Rhoda can't get married or the Godfather can't be shown in November"; however comments on such subjects are expected. Rules will have strictures on special promotions, ad campaigns, questionnaires to viewers, etc. Licensees also will be prohibited from making any claim "as to audience size or coverage area" without giving date of survey, who made it, area covered.

screen b&w sets. Standard remote adds \$70-\$80 to set, Zoom remote (Space Command 1000) \$100.

Zenith dropped 19V" console series, has only one combo, one door-model console, still has nine 23V" sets. One dramatic, if far-out, set in Zenith line is "Panorama," 25V" console with curved concave rosewood & metal cabinet, designed to fit in corner or against flat wall. Entire color & monochrome lines (4 new sets introduced) are solid-state. All color sets have magnetic voltage regulation, 16 are remote, 43 of the 48 have one-button tuning. For Zenith pricing changes, see p. 9; for description & prices of sets, see p. 12.

* * * *

Call it foreign aid, lend-lease or enlightened self-interest, but Matsushita has poured millions in financial & technical resources into TV-producing subsidiary Quasar, and results were evident at Chicago distributor meeting last week.

Here's what's new at Quasar: (1) Pair of solid-state color chassis, one for 13-15V" portables, other for 17-19V", plus beefed-up 31-KV chassis for new 25V". (2) Quintrix negative-matrix in-line picture tube, sourced from Matsushita, in all new 19V"-&-smaller color sets. (3) New slide-out b&w chassis for 12V" portables, similar one expected for upcoming larger-screen models, all from Matsushita plants in Japan & Puerto Rico. (4) Totally revamped color production plant at Franklin Park, much of automation & test gear coming directly from Japan.

Meeting celebrated many firsts for Quasar—first anniversary, first Matsushita-directed line, first all-solid-state color line, first convention for new Pres. Robert Bloomberg and, said one distributor, "the first time in years I've seen this place run like a business."

Quasar made it clear it was aiming more at return to profitability than increased market share (see p. 10). With new 13-15-17V" models, Quasar is trying to carve out niche in small-screen color market for first time. New chassis have only 3 boards, one surrounding picture tube socket and mounted on tube itself; 13-15V" chassis has 4 ICs; 17-19V" has 5. While sets were all designed in Japan, and prototypes displayed were made there, they're not the same as Panasonic line. Both Panasonic & Quasar will feature Quintrix (extra pre-focus lens) tube, though decision to let Quasar advertise fact wasn't made until last minute.

All Quasar color sets will be assembled in U.S. from U.S. & Japan-made parts, with production to start in July, when modernization in Franklin Park is complete. Sourcing of Quintrix tube in U.S. is possible, and talks with potential domestic suppliers have started. Decision to source b&w from Matsushita and expansion of Franklin Park puts future of Quincy, Ill. subassembly plant in doubt; Pres. Robert Bloomberg indicated it's surplus.

* * * *

Magnavox previewed new line in N. Y., showed some models—mostly still unpriced. Random-access STAR tuner with on-screen channel display, available only on \$1,000 consoles last year, has now been expanded to combos, two 19V" table models, one 19V" full-door console. New version has calculator-type keyboard in set as well as in hand-held remote unit; 19V" STAR tables will be priced \$700-\$800, console in \$1,000 range. Magnavox will emphasize 19V" color with new chassis containing 11 plug-in modules, 8 of them same as used in either 25V" or 13-15V" portables; chassis has 168 fewer parts than predecessor. Dropped from new line is 17V" color.

Two new versions of Odyssey were introduced, both completely self-contained, eliminating on-screen overlays, with all controls for both players on single box, adding beeping sound, on-screen scoring, "doubles" games. Two-game version (hockey, tennis) is about \$80; 3-game (with "smash"—combination of handball & lacrosse) is \$100. Old 3-piece Odyssey now sells at \$110, with formerly optional rifle-range accessory included.

MX component line has been expanded to include lower-priced units (\$250 receiver) and more 4-channel receivers, high-end receiver at \$800 containing Dolby noise-reduction unit for FM.

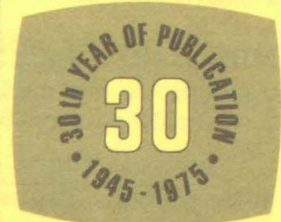
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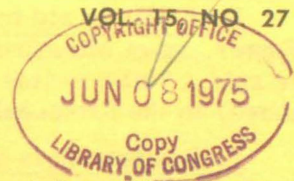
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Broadcast

KAHN INTO PAY-CABLE MOVIES, is expected to offer package of major top-quality films 1-2 years old, never seen on TV. HBO believed among first customers. (P. 1)

MDS-CABLE FRIEND OR FOE: May extend CATV service or skim cream of pay-movie offering—or both. Mergers eliminate hearings in L.A., Anaheim, Atlanta, San Francisco, Seattle, Denver. (P. 2)

CONTINUOUS ASCERTAINMENT faulted for increased paperwork, but broadcasters like flexibility, exemption for radios, in markets under 10,000. Short renewal form for radios will save time, according to comments. (P. 3)

CHILDREN'S TV AD REGULATION is goal of bill in works by Rep. Wirth, which would require FCC to take over task now assumed by self-regulatory groups. (P. 3)

SATELLITES SEEK BROADCAST MARKET: WU & RCA Globcom seek business from networks, independents, cable, additional sports. Rates 'significantly lower' than land service. (P. 4)

CIRCULAR POLARIZATION impresses engineers. AFCCE hears Zellner & Smith describe ghost rejection, co-channel improvement, consistent picture, etc. (P. 4)

KAHN INTO PAY-CABLE FILMS: If you've been wondering how former Teleprompter chief Irving Kahn will return to cable—here's how: By furnishing major films to pay cable. Though we couldn't get details, it's known that Kahn has acquired rights to about dozen films 1-2 years old, never seen on TV. They're said to be top quality.

Deal is believed to cost Kahn 7 figures, and agreement is in works with HBO—and probably other pay-cable outfits—for showings to start early next year.

It isn't surprising to see Kahn in this end of business. More than 30 years ago, he worked for 20th Century Fox, was ardent believer in future of TV. Furthermore, at one point he ran 20th's promotion dept.—so you can expect him to encourage heaviest kind of drum-beating in advance of cable showings. You can also expect Kahn move into made-for-pay-TV movies. He foreshadowed that at NCTA convention this year (Vol. 15:16 p3), saying: "Use your own product—then nothing will preclude national distribution." He said that pay cable would "change distribution patterns, as TV did; cable will be first-run."

It wouldn't be surprising, either, to see Kahn in some phase of satellite operations—because he has for some time insisted to friends that satellites are among most promising techniques for spreading rapid distribution of pay-cable.

Consumer Electronics

MAY TV IMPORTS took record dive, with shipments only half of year earlier. Color & monochrome totals from Japan, Taiwan & Korea declined. (P. 7)

WARRANTY ROLLBACK apparently is going to stick. Companies with 90 days' labor on all models comprise solid 2/3 of industry color market share. (P. 7)

LOSSES CONTINUED in first quarter for TV & audio specialist firms. Most TV and half of audio firms in red. None had earnings gain. (P. 8)

NEW CHIEF AT ADVENT is Peter Sprague, who becomes chmn., gets 44% voting control under 'agreement in principle.' Kloss remains pres. & chief exec. and largest holder. (P. 9)

COMPONENT IMPORTS fell sharply in first quarter, with biggest impact felt by parts sold in U.S. OEM market. (P. 10)

WHO BUYS TV? Demographic data on color & monochrome purchasers in new Census study. Average price paid during year ended Fall 1973 was \$432 for color set, \$117 for b&w. (P. 11)

MAGNAVOX LOSS on consumer electronics in first quarter was \$7,836,000, according to proxy statement in Philips' takeover. Justice Dept. still probing merger. (P. 12)

NEW CHIEF AT ADVENT: Financially troubled Advent Corp., audio manufacturer and developer of VideoBeam projection TV system, will come under voting control of private investor Peter Sprague, who will become chmn., under agreement in principle reached last week between Sprague and Advent Pres. Henry Kloss. Sprague is chmn. of National Semiconductor and considered by some Wall Streeters as genius behind that company's rapid rise. He's also chmn. of Design Research, 10-store retail furniture-apparel chain and part of group which recently purchased ailing British sports car maker Aston-Martin.

Agreement in principle has also been reached with institutional lenders for deferred payment on scheduled loans, according to Kloss, removing immediate financial pressure on company. Sprague will pay \$575,000 to buy 375,000 new Advent common shares at \$1.50 per share and 4-year warrant to purchase 125,000 additional shares at same price. He'll also get option to purchase 135,000 of Kloss's shares at \$1.50, and additional shares will be placed in voting trust, giving Sprague control of 44% of outstanding shares for 4 years or until any new public stock offering. If all options are exercised, Kloss's holdings will be reduced to 40% from present 65%, while Sprague will own 33%. Some 180,000 Advent shares are traded publicly.

Kloss continues as pres. & chief exec. officer and largest single shareholder of Advent. He said Sprague would be active in Advent management, giving company financial & management strength "consistent with our plans for the TV market." Advent recently reported \$2,972,000 loss on \$16,724,000 sales for fiscal year, attributing deficit mainly to start-up costs for VideoBeam. Advent stock had been moving upwards recently on basis of rumors of reorganization, moving from \$7.50 two weeks earlier to close at \$10 bid July 3.

Appliance-TV retailers earned before-tax profit of 2.2% last year on sales & service, down from 2.7% in 1973, according to NARDA Costs of Doing Business Survey. Gross margins were 28% for both years. Good start in first 6 months was sufficient to keep figures on plus side for 1974, commented Exec. Vp Jules Steinberg, who saw reverse situation this year, "with the 2nd half bailing out a comparatively dismal first 6 months." Operating expenses in 1974 climbed to 26% of sales from 25.7% in 1973. Income from interest, supplier rebates, etc., slipped to 1.8% from 2%. Ad expenses moved to 2.5% from 2.3%.

ITA postponed to Aug. 1 deadline for comments on proposed standards covering C-60 cassette, cassette-to-recorder interface, 8-track cartridge, 8-track & cassette duplication guidelines and reels for 1/2-in. VTR. Copies from ITA, Box 11070, Tucson 85734. ITA 6th annual seminar & exhibition is set for Feb. 29-March 3 in Tucson.

Swiss watchmaker Ebauches has launched 5-year, \$25-\$30 million electronic watch program. Company has purchased technology package from Hughes, will develop in-house IC & liquid-crystal display capability, expects to start production & sales of own watches by mid-1976.

UL GETTING DATA: Wilmington Federal Judge Latham last week overrode industry objections, modified restraining order to permit Consumer Product Safety Commission to turn "confidential" TV accident data file over to UL (Vol. 15:26 p9). UL will use information, most of it subpoenaed from manufacturers by CPSC last year, in TV safety standard development.

UL staff members will get unlimited access to accident data, while computer printout, sanitized to eliminate all means of manufacturer identification, goes to members of UL standards development committee, composed of consumer & industry representatives. Analysis of data, prepared by CPSC consultant Robert Yereance will be given to committee after being checked by industry to insure references to individual manufacturers have been deleted. Judge turned down CPSC request that manufacturer identification be included in report to committee in coded form, rejected RCA recommendation that data be scrambled to intermix reports from different manufacturers.

Court action amends original order prohibiting CPSC from releasing data publicly pending outcome of suit brought by 13 TV producers. Theoretically, public dissemination is still banned—but, as explained to judge at hearing by CPSC, law requires that meetings of standard developers, and materials used, be open to public, so there's no way to insure that data & Yereance report can be kept confidential.

American Videonetics' 8-head consumer videotape recorder (Vol. 14:45 p9) "is probably 2-3 years away from acceptance, if ever," AV's 80% owner Omron Corp. of America (OCA) said in recent offer to buy more AV stock. "There is considerable doubt as to [its] feasibility as a competitive product." Independent shareholders of near-bankrupt AV (formerly Newell Industries) are battling against OCA takeover. OCA offer of 40¢ a share for 300,000 shares, after one extension, expired June 30 with only 190,000 of 800,000 shares tendered. Independent appraisal sponsored by OCA valued AV shares at 25¢, while AV-sponsored appraisal put value at \$1.33. Under Cal. law, subsidiary can't be consolidated into parent unless there are fewer than 300 minority shareholders—and AV holders recently have been splitting holdings with others to keep above minimum. AV, which also makes other recording & micrographic products, spent \$1.65 million in last 3 years developing consumer recorder, also worked with BASF on its longitudinal video recorder.

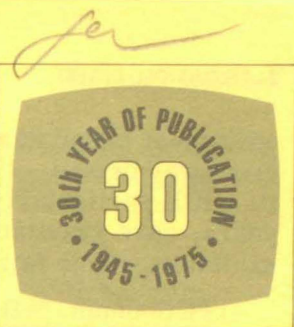
ITT's worldwide automotive & consumer products sales totaled \$1.44 billion last year, returning \$26-million profit, vs. \$1.35 billion sales, \$54 million income, in 1973, according to company's Financial & Statistical Supplement. This compares with total \$910.5 million sales last year for Zenith, \$1.13 billion for RCA's consumer products & services (consumer electronics, records, parts & accessories, consumer service by Service Co.).

Electronic game is going into production at National Semiconductor, with marketing expected to start early in 1976.

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SEPTEMBER 8, 1975

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VOL. 15, NO. 36



Broadcast

NEW LOOK FOR NAB '76 CONVENTION: Wed. lunch dropped, separate radio & TV lunches Tues. Ford expected. Syndicators invited to exhibit with manufacturers. Las Vegas income was \$379,000 on revenue of \$673,000. (P. 1)

WILEY'S SEPT.-NOV. FCC PLANS: Commissioners get quarterly list of regular & special meetings, highlighted by new feature—open, 3-hour session with public. TV-cable cross-ownership Sept. 17. (P. 2)

FCC TALLIES TV'S FINANCIAL 1974: Full report issued, including VHF-UHF profit & loss breakdowns, independents vs. affiliates, employment, etc. (P. 3)

AT&T & NCTA END POLE-FEE TALKS: FCC to discuss jurisdiction Sept. 30. Parties dispute whether talks had ended after Wiley's Sept. 4 meeting. Wiley says FCC sentiment 50-50. (P. 4)

FCC AMENABLE TO NEW STAR PACT which calls for WMAL-TV-AM divestiture within 2 years. (P. 4)

PERCY ENTERS FRAY on children's TV regulation, criticizes networks, FCC & FTC for self-regulatory failings, threatens govt. action. (P. 5)

KCND-TV RETURNS LICENSE: Commercial station goes dark; 2 ETVs start, bringing TV operating total to 954. (P. 5)

NEW LOOK FOR NAB '76 CONVENTION: Separate Mon. TV-radio lunches; special RAB session Sun.; no radio meetings Mon. p. m.; concurrent TV sessions Tues. a. m.; sell space to syndicators (radio & TV) on regular exhibit floor; up price to exhibitors from \$6 to \$7 per sq. ft.; no Wed. lunch—all of these will contribute to "new look" of NAB 1976 convention March 21-24 in Chicago.

Format changes were approved last week by Convention Committee, whose members came away very impressed after tour of McCormick Place site. They also were told NAB is very optimistic that President Ford will attend—1976 being election year—and slot is being reserved for him Wed. a. m. although he'll be scheduled whenever he chooses to show. If Ford appears, it'll be 3rd straight NAB convention to attract President. With Wed. lunch dropped, convention will end with FCC panel—returned to agenda in Las Vegas after absence of several years.

Success of Las Vegas convention (Vol. 15:15 p2) was borne out by financial results: Revenue \$673,000, expenses \$294,000, record income of \$379,000. NAB had budgeted \$367,500 in expected income from 1975 convention.

McCormick Place will offer much more exhibit space than NAB can sell—it expects about 80,000 sq. ft. next year—so there'll be plenty of room for syndicators if they choose to join

Consumer Electronics

COLOR SALES RECOVERY indicated in EIA 33rd week distributor sales totals, with volume off just 2.6%; preliminary 34th-week figures show sales up better than 25%. (P. 7)

SONY'S NEW TRINITRON features improved, claimed 60% brighter, new high voltage & gate control circuitry. First sets, 17V" & 19V", on Japanese market Sept. 21. (P. 7)

TV IMPORTS DOWN sharply in July—color off 23.4%, b&w 51.1%. Color from Japan steady, b&w down sharply for all countries, Taiwan color sank. (P. 8)

COMPACT, CONSOLE STEREO market recovery in evidence as dumps disappear, prices stabilize. Sales volume continues low, but profits improve. (P. 8)

IMPORT IMPACT AID being sought for U. S. employes of Murata, Japan-owned capacitor maker. Labor clears some Airco workers for aid, opens cases of Clarostat, Kay-Townes. (P. 10)

JAPAN'S AUG. EXPORTS of audio equipment joined TV in sharp downslide from year ago. Transceivers continued increase. (P. 10)

NARDA ADDS RECORDERS to growing list of products offered to retailers through Traffic-builders Div., drops calculator plan. (P. 11)

NARDA OFFERS RECORDERS: NARDA added 4 Bigston cassette recorders to products available to members through Traffic-builders Div., says other products are in works. Three record-only units will carry NARDA "recommended" retail prices of \$35, \$50 & \$70, cassette/radio model \$100. Gross margins will range 30-37%, and Div. eventually will offer 8-model medium-priced Bigston cassette line.

Earlier plan to offer low-priced calculators (Vol. 15:35 p13) has been stymied by failures in field tests, NARDA Exec. Vp Jules Steinberg told us. Quality control in calculator field is similar to situation in TV industry 5-6 years ago, he said: "It doesn't pay to come out with a low-priced calculator and then have to take half of them back." NARDA isn't getting special deal on recorders, according to Steinberg, but is acting as national distributor for members, cutting out middle-man, passing savings to dealers.

Plans to offer other products are going ahead, but Association is "trying not to upset normal distribution pattern in industry," according to Steinberg. He said range of brand-name products could be acquired from trans-shippers but that major producers were informed recently NARDA has no intention of doing so in foreseeable future. So far, about 1,000 Sylvania-made 18V" Kenco color sets—first product offered under Traffic-builder plan—have been sold to dealers.

Color console sales of members participating in Association's Retail Index were up 8% over 1974 in June, portables up 3%, audio components up 6%, stereo consoles down 10%. Gross margins on color consoles averaged 20.4%, audio components below 30%, both declines from last year.

Mergers & acquisitions: Pioneer's negotiations to sell Japanese OEM speaker business to Nippon Chemical Condenser have terminated. Price, and Pioneer's unwillingness to include Taiwan plant, were major stumbling blocks... TRW sold Sherwood Refractories (fused quartz) to employees, terms undisclosed... Electronics industry mergers totaled 24 in first half, down 37% from same 1974 period, according to W. T. Grimm, Chicago consultant.

TV tennis game developed by MIT for Executive Games of Boston, goes on market in Nov. at \$60... Japanese game machine producer Epoch says it has acquired license for domestic production & marketing of TV game from Magnavox & Sanders Assoc., developers of Odyssey, currently sole under-\$100 TV game on market. Epoch said it expects to sell 30,000 games at \$65 each this year. U.S. companies declined comment.

Aerovox has licensed Sylvania to produce paper & foil oil-filled capacitors in Mexico. Aerovox also recently acquired right to produce & market line of metalized plastic capacitors from U.K.'s Pye TMC Components.

Color TV penetration of Japan's 33.3 million households reached 91.4% May 31, vs. 87.1% year before, Economic Planning Agency reported. B&W dropped from 51.2% to 44.9%.

ENERGY REDUCTION: Voluntary Commerce Dept. (CD) program aimed at 20% reduction in appliance energy consumption by 1980—now supported by 57 manufacturers—could render portion of pending House bill academic. Bill mandates aggregate 25% improvement in energy consumption by 1980. But even if bill becomes law, CD will have discretion to declare mandatory standards unnecessary if voluntary plan works.

Original standard in bill against which improvement would be measured was consumption of '74 models, after TV industry shifted to low-power solid-state chassis. EIA CEG Consumer Affairs Dir. Sally Browne says EIA has won pledge that amendment will be offered from floor, making '72 base for comparison, same standard used in Commerce program.

TV makers agreeing to voluntary program were Admiral, GE, Sylvania, JVC, Magnavox, Panasonic, Quasar, RCA, Sharp, Sanyo, Sony, Toshiba, Warwick & Zenith. Industry representatives meet with NBS Sept. 23 to finalize draft of standard for measurement of power consumption.

Other congressional action expected this fall: (1) House debates on Consumer Protection Agency bill & CPSC Improvement Act—both similar to bills passed by Senate in July—are scheduled this month. (2) Senate will consider bill repealing fair trade laws. House fair trade bill passed in July. (3) House is expected to pass Consumer Fraud Act, already through Senate.

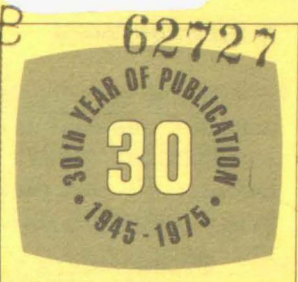
Watch watch: Litronix stepped up electronic watch price war with introduction of 3-function (min., hours, sec.) LED model at \$40, \$10 drop from current industry low-ball, also added 6-function models (day, date, a.m.-p.m.) with light sensor that dims display in darkness... **National Semiconductor** is producing 6-function module for watch which will display time for any 2 time zones... **Raonix** is new Canadian digital assembler founded by William Ratcliffe, ex-Bowmar Canada vp. Company plans to assemble watches from Far East modules... **Venezuela's Entepar** has opened branch in Sunnyvale, Cal. to handle U.S. marketing for digital watch & calculator lines. Company assembles in Venezuela from domestic-made & imported parts, buys ICs from National Semiconductor. Entepar's purchasing agent, Overseas Expediting, also opened Sunnyvale office in plan to increase activity as component supplier in Latin America... **Computed Time**, supplier of LED watch modules to independent assemblers, said it's expanding monthly production from 32,000 to 53,000 by Oct... **Commodore** plans to enter watch business in U.S. next year. It currently assembles watches in Palo Alto & Singapore for sale in Europe... **Rockwell** placed \$1.25 million order for 500,000 liquid crystal displays with RCA Solid State Div., for delivery in 1976.

Color TV cameras 1/10 conventional size will be made possible by new MOS image sensor it has developed, Hitachi claims. In test production, chip has 250 x 250 picture elements, operating frequency of 5 MHz.

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OCTOBER 20, 1975

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Broadcast

ANTI-CABLE PITCH TO WHITE HOUSE by broadcasters sees 'public appalled' at way its stake in TV is 'disregarded.' Taylor accuses Administration aide of bias. Movies, sports, theaters called in this week. (P. 1)

NAB PICKS UP IN BOSTON after slow conference start in Atlanta. No complaints from public on FV. Much interest in TARPAC. Wasilewski, Stagers seek unity. Wiley wants to 'weed out' unethical. (P. 3)

WALB-TV SUES COMMISSIONERS for ordering divestiture, says FCC has no authority to require sale of any property. NCCB charges decision designed to protect large-market combines. (P. 4)

KISSINGER-TRUDEAU JAM SESSION: Secy. presses discrimination issue in Ottawa meeting. Broadcasters encouraged. Experimental applications filed, aimed to destroy reception of Buffalo stations in Toronto via co-channel interference. (P. 5)

NAB & NCTA POLITICAL GROUPS already have contributed \$9,555 this year. (P. 5)

EDUCATION COMR. BELL dissatisfied with both commercial & public TV programming. (P. 5)

TV's ANTI-CABLE PITCH TO WHITE HOUSE: "The public should be appalled at the way its own stake in broadcast service is disregarded" in proposals to de-regulate CATV, NAB Chmn. Wilson Wearn told White House officials at Oct. 16 meeting. In "unanimous" statement for several TV spokesmen present—including ETV & translators—he gave "statement of principle" outlining 7 major points broadcasters want considered. Present were govt. officials from OMB, Domestic Council, OTP, Justice Dept. & Council of Economic Advisors. Same group met with cable week earlier (Vol. 15:41 p2).

Meeting "got rather hairy," according to broadcast participant, when CBS Pres. Arthur Taylor accused economist Paul McEvoy (Council of Economic Advisors) of bias against broadcasting in favor of cable. McEvoy came in late, hadn't read Wearn statement, launched into series of questions "seeking proof that pay cable will destroy free TV," according to participant. McEvoy also disputed claim that TV-cable relationship is totally different from railroads, truckers, airlines, etc., and needs to be treated differently in re-regulation. He said he was "tired of hearing the same old story" with no proof offered.

Taylor thought McEvoy's questions & attitude showed a strong prejudice, told him so. CBS pres. also referred to well-documented bias of Nixon Administration against TV, wondered out loud if history is beginning to repeat itself. Acting OTP Dir. John Eger reportedly said "Oh, come on Arthur," arguing there's absolutely no comparison of current situation with Nixon antics.

Consumer Electronics

WILL COLOR SALES peak in Oct. Industry seems to be banking on it, though first-week figures aren't encouraging. Distributor inventories exceed million sets for first time in history. (P. 7)

MAGNAVOX INTO CB through private-label deal, will supply E. F. Johnson with 100,000 units in next year, 8,000 by end of 1975. Deal could point way to new use for idle TV plants. (P. 8)

UL SEEKS DELAY in development of TV safety standard, asks CPSC for extension to June 22. Second draft to be more comprehensive, require more testing. (P. 9)

EIA CURTAILS membership meetings to 2 a year. Solid-State Div. reorganized to emphasize engineering. Working agreement to be sought with WEMA. CES exhibits costs increased. (P. 10)

MORE ACQUISITIONS hinted by Sylvania, which says Philco's color market share rose 69% from first to 3rd quarter. Closed-circuit TV phone blitz moves 31,900 Sylvania products in day. (P. 11)

RCA NET ROSE 9% in 3rd quarter. Motorola reports sharp earnings drop. Morse tells stockholders of sales pickup. (P. 11)

EIA CURTAILS MEETINGS: EIA, which once held 4 regular membership meetings annually—in days when it was social club as well as trade association—and then reduced to 3, now plans to cut back to 2. New plan, developed at San Francisco convention, eliminates June meeting (held in Chicago last couple of years), continues March Washington conference & Oct. West Coast convention, as well as traditional 4 board meetings annually. In place of June meetings, divisions & groups will meet separately at times & places they select, unencumbered by other simultaneous meetings.

In major organizational change, EIA gave new charter to its Solid-State Products Div. (SSPD), which now will be engineering-oriented, dropping marketing services and eliminating duplication with WEMA, which has developed own statistical program following defections from EIA of Texas Instruments & Fairchild. EIA is extending feelers to WEMA to coordinate activities in semiconductor field, with each organization retaining own integrity & entity.

EIA Engineering Staff Vp Allen Wilson adds duties as SSPD staff vp. Distributor Products Div. Staff Vp J. T. Mack adds duties of Tube Div. staff vp. PR Dir. Norman Sharp was promoted to administration vp.

EIA board agreed to lend staff members to special all-industry committee for preservation of Tariff Regs. 806 & 807, which exempt U.S.-made content of imported products from import duties.

Ten-man delegation headed by EIA Pres. V. J. Adduci, including Admiral's Charles Hoffman & Sylvania's Paul Terhaar, leaves this week for Germany to confer on preparations for GATT negotiations.

San Francisco EIA meeting was harmonious and relatively uneventful, marked end of 5 years since Adduci's election as full-time pres., during which much of acrimony & internal strife have vanished.

Elaborating on new format of Consumer Electronics Show (Vol. 15:41 p9) last week, Consumer Electronics Group Staff Vp Jack Wayman said decision to have single show has ended any real threat of fragmentation—no respondents to survey indicating any plans to start any other show at another date. He said he felt some manufacturers would recycle model changes for April introduction to correspond with show dates (beginning with 1977 show April 21-24). Only votes against April date came from "some hi-fi & TV people," he said. As to Jan. show, "we are keeping our options open." Although none is planned for 1977, Wayman said if electronics manufacturers plan to exhibit in Jan. at other shows, Winter CES could be brought back for them. He said CES could return to Jan.-June some time in future, or adopt some other format to meet changing conditions.

Price of exhibit space at next June's CES in Chicago will be increased to \$4.50 from \$4 per sq. ft. to meet rising costs, Wayman said, and he speculated it probably will go up to \$5 for 1977's single show in April.

JAPAN'S AUG. EXPORTS: While not showing dramatic rebound of TV (Vol. 15:40 p9), Japanese audio equipment exports to U.S. in Aug. demonstrated some improvement, compared with severe declines from same year-earlier period posted in preceding months of year.

In radio, Finance Ministry reported total shipments of 329,700, down 32.7% from Aug. 1974, as home radios dropped 44.3% to 210,300, while auto radios rose 6.7%. Radio-phono exports dropped 46.3% to 12,400, but phonos posted tenfold increase. Total tape equipment exports were off 13.8% to 1.2 million, as automotive units slipped 21.5%, while decline in home players & recorders to 1.03 million was held to 12.4%, thanks to 16.9% increase for combination types. Transceivers continued to outperform all other consumer electronics. Month's total shipments were up 73.4% to 445,000, as 100-milliwatt models gained 14%, higher-power types 137.8%. Here are official Aug. results:

JAPANESE EXPORTS TO U.S.

	Aug. 1975		Aug. 1974	
	Units	Value(\$)	Units	Value(\$)
Total TV	202,795	29,180,106	161,907	23,481,118
color	145,559	25,589,898	100,203	19,676,987
b&w	57,236	3,590,208	61,704	3,804,131
Radio-phono, stereo .	7,651	656,720	17,492	1,942,688
Radio-phono, mono .	4,750	170,966	5,590	151,809
Radio-recrdrs. & other comb.	477,461	19,304,158	408,449	20,143,453
Clock radios	31,848	714,791	140,795	3,258,852
Tr. radios w/FM . . .	150,028	10,235,218	201,193	14,035,883
Tr. radios, other . .	28,376	210,178	35,836	377,393
Auto radios	119,429	3,084,259	111,932	2,599,517
Trcvrs., under 100mw	152,054	590,030	133,428	757,081
Trcvrs., other	292,982	15,134,845	123,201	6,184,809
Phonos	7,000	43,454	754	17,695
Tape players, auto . .	166,976	2,947,306	212,728	4,592,544
Tape recrdrs., reel . .	1,412	177,239	1,888	168,154
Tape recrdrs., cass . .	350,080	8,179,845	408,694	10,051,285
Other cart., recrdrs. & players	103,673	1,907,013	105,829	2,069,440
Tape decks	97,971	6,060,255	251,692	10,444,007

Magnavox's dominant position in home video games market is being jeopardized by late delivery of ICs from Texas Instruments. Company's 2 new self-contained Odyssey models (Vol. 15:21 p11) are 2 months late, with \$80 two-game version just new becoming available and \$100 three-game model with on-screen scoring indication not expected until late Nov.—too late for some catalog houses. Magnavox says it's no longer producing original Odyssey model, will run out of stock in Dec.

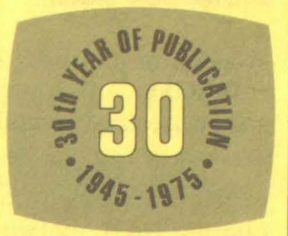
Illegal CB transmissions have reached point where usefulness of CB channels has been "seriously impaired," General Accounting Office reported to Congress. Report says state & local officials have been hampered in efforts to police CB channels by inability of FCC to prevent unauthorized use of cheap walkie-talkies, and that state officials complain CB radios are being used in burglaries, smuggling, narcotics trafficking, prostitution and other illegal activities.

Bargain Days: GBC CCTV, liquidating remaining inventories of Magnavox's discontinued security devices, offers \$150 wireless burglar alarm system for \$39.50, \$100 fire-smoke detector at \$29.50.

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Broadcast

NET GAIN FOR FCC in Pastore oversight hearing after airing of Commission policies with which Communications Subcommittee chmn. disagrees. Senator claims FCC 'usurped' authority of Congress. Hooks hits 'hyperbole' used by public groups. Canada, VHF drop-ins discussed. (P. 1)

PAY CABLE SPARKS MOOD UPSWING at Western Convention. Eger says 'de-regulation primary mission.' HBO announces sports agreements, including L. A. Forum. Film producers press for bigger cut on pay cable. (P. 3)

FCC STREAMLINES PROCEEDINGS through proposed changes in adjudicatory procedures. Flowers suggests 5-year license term also would ease FCC regulatory log-jam. (P. 4)

AMENDED CPB FUNDING BILL passed by House, makes Corp. responsible for enforcing Civil Rights Act. Women present grievances to CPB management, who promise they'll try harder. Board calls PBS & NPR to examine satellite plans. (P. 5)

NAB IN N.O., CHICAGO: Van Deerlin tells broadcasters they 'beat the drum too hard' in lobbying for renewal bill. Lee predicts Appeals Court will uphold 315 exemptions he opposes, Moss wants congressional UHF boost. (P. 5)

NET GAIN FOR FCC vs. PASTORE: "The FCC came out of this with a net gain in terms of explaining what our policies are and their validity," Commission official told us last week after half-day spent before Sen. Pastore (D-R.I.). Commissioners, broadcast officials & public interest groups we talked to seemed to agree with above appraisal after airing of FCC policies with which Senate Communications Subcommittee chmn. disagrees.

Comr. Hooks expressed disappointment that public interest groups opposing FCC proposals on ascertainment & EEO rules obscured legitimate differences with "hyperbole" (Vol. 15:45 p1). He & others said FCC opponents overstated their cases and were inaccurate on many points. "When you are dealing with a focal power like Pastore, it's very bad to mislead him," Hooks said. "I feel a little aggrieved that the FCC has accomplished as much as it has and then for everybody to ignore it."

Pastore's main concern—as it was during hearing week before—was FCC's exemption of candidates' news conferences from equal time (Vol. 15:39 p1). "You usurped the power of Congress, pure & simple," Pastore charged. Wiley: "No we didn't. No we didn't." Pastore: "So what you're doing, you're actually destroying equal time...You went around the back door and invented this thing." Pastore repeatedly interrupted Wiley, asking hypothetical questions and demanding "yes or no" answers. Wiley & Robinson (all 7 commissioners were present)

Consumer Electronics

JAPANESE DOMINATION OF CB market is strong possibility, Tokyo Embassy warns, based on Japanese suppliers' plans to increase production. RCA close to entering field. (P. 7)

NO REAL CHEER in Oct. sales figures, despite statistical increase in total TV over year earlier. Inventories continue shift from factory to distributor. First Nov. week maintains slow pace. (P. 7)

NEGATIVE-MATRIX color tube patent invalidated by federal court, which holds Zenith development unpatentable 'obvious' advance in art, in suit brought by Toshiba. (P. 8)

IMPORTS GAINED SHARE of color TV supply in first 9 months, but lost ground in 3rd quarter as U.S. production approached 1974 levels. Further import gains expected in 4th quarter. (P. 9)

GE NO. 3 IN COLOR? Wellner thinks it is, sees room for only 3 firms to operate profitably in field; 10% share seen 'magic point for viability.' (P. 10)

HOTEL TV SCRAMBLE set off by Motorola business sale to Sylvania, Ford's decline from active status. Slight improvement seen in '76 as inns replace hybrid sets. Free movies gain. RCA quits hotel management systems business. (P. 10)

GE—COLOR'S NO. 3? In industry's present configuration, "there's only room for 3 companies" to operate profitably in domestic market, GE TV Business Dept. Gen. Mgr. Fred Wellner said last week. "Two are already there," and GE thinks it's No. 3 manufacturer. "We've been the No. 3 U.S. manufacturer of total TV units for several years now, and our gains this year may have made GE No. 3 in color as well," said Wellner at N.Y. news briefing. "Magic point for viability in the U.S. market," he said, is 10% share—but he conceded that other manufacturers with less could stay in if unprofitable TV business meshed in with other corp. goals or products.

"We are in the business for the long haul," he said. Conceding that industry recovery has been slower than anticipated, Wellner forecast 1975 color sales at 6.8-6.9 million, 5.2-5.3 million b&w, rising to 8.5-8.7 million & 5.4-5.6 million in 1976, with replacements topping primary-set sales and consoles holding steady at 33-35% of market. He saw major industry preoccupation from now on as improving reliability to hold down warranty costs and making sets simpler to operate.

If b&w picture tube sources dry up in U.S., GE still won't get out of monochrome, he said. "We'll buy tubes from the Far East, if necessary."

As to Japanese competition—"it's here to stay. But we hope they'll become a little more reasonable when the market recovers. Some of their prices are unbelievable." He said some Japanese firms were selling "proportionately for less here than in Japan" and saw no "undeniable" facts to indicate Japanese aren't dumping.

On products-of-the-future, he made these comments: (1) Projection TV—GE's projection work originally was designed for consumer area, but "we have no immediate plans—we can't justify development costs." Nevertheless, final decision hasn't been made. (2) Videodisc—"To look at it as the next step is utter foolishness. I don't want to be a dead pioneer." (3) Video games—"a specialized market for the small guy. GE has absolutely no interest in that business."

With soaring costs, cutthroat competition, increasing govt. regulation, breakeven point of TV manufacturing is climbing "by leaps & bounds," Wellner said. "If a manufacturer can't do \$300 million in TV, he won't be able to break even."

HOTEL TV SCRAMBLE: TV makers were digging for business and into each other last week at Hotel-Motel Show in N.Y. in scramble resulting from shake-out which included sale of Motorola business to Sylvania (Vol. 15:40 p10) and dropout of Ford's (Philco) Telesound from active status.

Major new candidate for powerhouse status in field is Zenith, which won Holiday Inn contract and is understood ready to announce pact with Sheraton. Special Mkts. Mgr. Joseph Stephano claimed No. 2 spot (after RCA Service Co.) for Zenith, which deals through distributors except in national-account area. Several other manufacturers pooh-poohed Zenith's claim, saying it was rich in contracts, not actual sales.

Sylvania made debut as major hotel-motel TV supplier in space formerly occupied by Motorola. Institutional TV & Electronics Div. Vp-Gen. Mgr. Si Stern, who held same post at Motorola, forecast 1976 inn-TV color sales at about 200,000, up slightly from this year, with replacements accounting for some 85% of business. Stern and other TV makers saw replacement market looming big this year as customers scrap hybrids for solid-state sets.

RCA Service Co.'s Walt Seuren saw "pretty good mood" in hotel-motel business despite lack of building. He said there's interest in replacing hybrids with SS because of savings in repair costs. Most hotel sets are installed on 5-year lease, which means almost all new contracts are to replace hybrid sets. Other TV manufacturer-distributor exhibitors at show were Admiral, GE & Telerent.

Hotel movies were represented by 3 nationwide firms in "free" movie field—no pay-TV companies. Inn-Room Movies Pres. Max Branderbit said his firm now has contracts with 100 inns in 35 states. He estimates existence of 7-10 national & regional free-movie suppliers (free to guests, that is, not to hotels), serving perhaps 60-70,000 rooms, as compared with somewhat fewer rooms served by pay-TV movie firms. Pres. Ernest Bogen of First Cine-Tel said his company had more than 200 locations and over 30,000 rooms. Also exhibiting was Inflight Services, whose officials declined all comment about number of installations.

This year's hotel show was smallest we've seen in all our years of covering annual N.Y. event—with very little new building going on and owners tight-fisted about added expenditures. At week's end, it was learned that RCA was discontinuing its Dataway hotel-motel management systems business and offering it for sale as result of new-construction slowdown (see below).

RCA is quitting hotel-motel management systems business and transferring Palm Beach, Fla. plant from Govt. & Commercial Systems to Solid-State Div. In addition to hotel systems, plant has produced subassemblies on subcontract basis for other manufacturers—notably Xerox, which canceled its circuit-board contract when it left computer business. RCA said it will try to reassign some of plant's approximately 500 employees to Solid-State Div., which plans to start production there in first quarter. Div. spokesman said plant would have "most sophisticated wafer-fabrication facility," initially would produce IC memories.

Advent has no plans to enter TV game field, says Chmn. Peter Sprague, denying our report of last week (Vol. 15:45 p14). Sprague, who also is chmn. of National Semiconductor, said his comments in report referred to game plans of NS's Novus Div., which hopes to have prototype of program-mable-chip "interactive color-generation device" in Jan., as previously announced. "Advent will just watch" game field, he said. "If anybody should make a game which looks better on a Videobeam," Advent will determine whether it could be adapted to projection system. NS, he said, is looking "way beyond games" in field of interactive video.

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NOVEMBER 24, 1975

VOL. 15, NO. 47

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

GLOBAL PICTURE OF TV: Sets in use total 364 million, up 20 million. Color passes 100 million. TV now in 147 countries. (P. 1)

TVB MOOD ALL UPBEAT: Optimism prevails—bullish on 1975, next year. CBS's Blank makes projections. (P. 2)

ABC'S 'SPACE CADET' PLAN: Network considers switch to mixed ground-satellite distribution. (P. 2)

NAEB WASHINGTON CONVENTION outdraws Las Vegas by 500. Fellows optimistic on NAEB future, others not. Bagdikian blames PTV's woes on commercial broadcasting. (P. 4)

FCC—MIXED REACTION OUT WEST: 'Hissing & booing' in L. A.; controversy in San Francisco; 'best meeting we've had' in Denver. (P. 4)

COPYRIGHT REVISION reported out by Senate Judiciary; Tunney wants shorter review interval. Ringer prepares new TV archive proposal. (P. 5)

STRONG NAB TOUR WINDUP in Denver & San Francisco. Congressmen predict renewal bill. Wasilowski says broadcasters have 'mutually trustworthy' relationship with Ford. (P. 5)

GLOBAL PICTURE OF TV EXPANSION: World's TV sets in use total some 364 million, up 20 million from last year—according to our latest country-by-country compilation. Color receivers surpassed 100 million for first time, up from 87 million, while b&w sets rose to 264 million from 257 million.

U.S. is by far dominant figure in both b&w and color. Its estimated b&w sets in use actually slipped somewhat—to 63.4 million from 64.45 million—while color rose to 57.7 million from 52.55 million. Most of figures are obtained from govt. communications agencies; others are obtained from international broadcasting organizations, manufacturers, news reports, etc. We believe bulk of figures are reliable, but reports from some countries (generally very small) are sketchy. Most figures represent totals as of spring of this year.

Here are top 10 nations in b&w receivers: U.S., 63.4 million; USSR, 50 million (b&w and color, no breakdown); W. Germany, 13.25 million; Italy, 12.45 million; France, 12 million; United Kingdom, 10.9 million; Brazil, 8.5 million; Spain, 6.12 million; Japan, 5.7 million; Canada, 5.7 million.

Top 10 in color: U.S., 57.7 million; Japan, 19.8 million; United Kingdom, 6.82 million; W. Germany, 4.35 million; Canada, 4.1 million; France, 1.71 million; Sweden, 1.27 million; Netherlands, 1 million; Mexico, 480,000; Switzerland, 400,000.

Tabulation shows 146 countries with TV, with following added since last year: Angola,

Consumer Electronics

HEAVY 1975 INVENTORIES still in retailers' hands, according to survey which indicates that less than half of Oct. color TV sales were '76 models. (P. 7)

GE SELLS OLYMPIC 18,800 color & monochrome TVs made for Grant's Bradford label at \$2 million. Olympic creditors get Chapter XI plan, sue former Olympic parent Lear-Siegler. (P. 7)

VIDEO GAMES INDUSTRY aiming at home market with improved versions of table-tennis concept, new breed of more sophisticated games primed for '76 introduction. Future of interactive devices goes beyond game field. (P. 8)

RCA DROPS MAGTAPE, citing costs, small market potential, desire to concentrate on TV & videodisc. Philips calls optical videodisc interchangeability 'essentially complete,' contemplates educational & instructional market. (P. 10)

EIA'S CB SHOWS—CES & PC-76—vie for exhibitors & attendees. Programs for Winter CES & Las Vegas event feature govt. panelists. (P. 10)

AUDIO IMPORTS in first 9 months well down from first half. Transceivers, FM table radios, post gains. (P. 11)

Under terms of deal, Olympic may sell sets under Bradford brandname but can't advertise that they're GE-made. Sets are not warranted by either GE or Grant. Olympic's was one of 2 bids of \$2 million; 3rd was \$1.6 million—losing bidders not disclosed. Olympic Pres. Herbert Kabat confirmed purchase, declined to elaborate. Grant's 3 other consumer electronics suppliers presumably are also off hook. Wells-Gardner had 500 Bradford color sets in inventory when Grant canceled order Oct. 22, sold them to employes. Arvin says it has 3,000 stereo phonos with retail value of less than \$180,000, is talking with prospective customers. C. Itoh says it has liquidated its inventory of Bradford's stereo consoles & compacts, but decline to be specific.

Purchase represents prime example of Olympic's new "flexible" posture, Kabat told us. He said company expects to conclude similar deals, perhaps return to import business later. He said company has earned "substantial profits" in the 7 months since filing Chapter XI petition, has sharply cut overhead. Olympic has put Glendale, N.Y. plant up for sale, is negotiating for new hq.

Olympic has offered unsecured creditors pro-rata share of \$855,000 over next 5 years, representing minimum of 23¢ on dollar owed, but this could go as high as 100% if creditors' committee wins \$2-million suit against Lear Siegler. Committee charges that Lear-Siegler illegally redeemed promissory notes held by Olympic while latter was insolvent and retained tax benefits belonging to Olympic when it transferred all preferred stock & 40% of outstanding common stock back to Olympic. Under Chapter XI plan, if proceeds from suit plus settlement total more than 100% of claims, Olympic gets difference.

VIDEO GAMES PLAYING TO HOME MARKET: Once confined to 25¢-a-play coin-op & limited-function consumer units, video games industry is on verge of major expansion into potentially lucrative home market.

Coming year will see 2nd generation of basic home table-tennis games—many in color, all offering expanded range of games, more versatile controls—plus variety of more sophisticated games closely paralleling auto racing, attack & others now in coin-op field.

At least 2 firms—Novus & Universal Research Labs—will show new full-color versions of table-tennis games during 1976, and Atari will take hotel suite at Winter CES to discuss new home units scheduled for spring introduction with retail accounts. Atari Mktg. Vp Gene Lipkin told us new games will be closely related to coin-op line, which includes such electronic games as "Trak 10" (auto racing), "Jet Fighter" & "Jaws." He said prices could range \$80-\$170 but wouldn't put figure on number of new models. Atari also will unveil home "Pong" unit under Atari name in Jan., at about same \$99 price charged by Sears.

"Pong" is now marketed only by Sears, as first product in new "Tele-Games" line, and Lipkin indicated chain will add new Atari models to line some time next year. Other chains also are moving into field. Spokesman for Penney says it's now working on game program, will have something in catalog by next year. Montgomery Ward lists original Magnavox "Odyssey" unit for \$100 in Christmas catalog, will probably offer new "Odyssey 100" & "Odyssey 200" later.

Cheapest game on market is \$65 "TV Tennis," developed for Executive Games by MIT. Initial shipments were scheduled for this week, according to Sales Vp Cy Miller. Firm will add 2nd MIT-developed unit during 1976, probably at slightly higher price, he said. New game will be variation on tennis concept, but Miller says company hopes to expand into other game areas during 1977.

Prices will drop rapidly, according to those in field. "By this time next year, we'll all have games for under \$75 retail," according to Ronald Rutkowskie, mktg. vp of Control Sales, which markets Universal Research games. And Lipkin says that although Atari "won't be in there dropping prices to make a market, \$100 is not the bottom."

Dominance of ping-pong games will begin to fade in next year or 2, most firms agree. These "will be primitive compared to the microprocessor-equipped games" to come off drawing boards over next 2-3 years, according to Thomas Connors, Pres. of Mirco, Phoenix, whose Game Div. produces coin-op units, is now developing home games.

Future of interactive TV devices is seen extending beyond game field, however. Novus is working on prototype of programmable-chip "interactive color-generation device" (Vol. 15:46 p10) and Admiral hopes to demonstrate new "Interface Mark IV, possibly educational-instructional device permitting interaction between user & TV set (Vol. 15:39 p8).

Both new Odysseys are now being delivered, according to Magnavox Electronic Games Product Mgr. John Helms, with resolution of problem of late IC deliveries from Texas Instruments (Vol. 15:42 p 10). New Odysseys—2-game version at \$90 and 3-game model with on-screen scoring at \$120—will probably be joined by new game some time in 1976, Helms said.

Newest player in video game field is National Semiconductor, but previous plan to introduce Novus game with plug-in accessory cartridges to provide additional games has been scrapped. Novus now says 8-color unit featuring tennis, hockey & handball will be shown to public around midyear. It's not known whether firm is going ahead with plan to display game at Jan. CES.

Other new game will come from Universal Research Labs, which will replace \$300 "Video Action II" 3-game b&w unit with \$200 battery-operated "Video Action III" color game at Winter CES. New unit has robot feature which allows player to play against machine, is smaller than current game.

Broadmoor now offers "Video Action II" under "Four-play" brand including b&w set, \$380 (12"), \$399 (16") & \$449 (19"). We learned, however, that Broadmoor is working on own games, will show them at June CES. New games, to be designed by Broadmoor and produced in Far East are understood to differ from conventional games, will have some educational applications. Spokesman would say only that units will have "dynamic new features." Firm hasn't decided whether they'll be offered as package with TV sets or individually.

GE met with Bureau of Radiological Health officials in Washington last week to press case for exemption from recall of some 36,000 GE & Hotpoint microwave ovens agency says don't comply with radiation standards (Vol. 15:45 p11). GE is standing firm on position units meet all safety requirements. Company & BRH are exchanging additional technical data, and BRH is expected to rule on exemption request next month. GE has right to legal appeal of turndown. Amana, meanwhile, is drawing some criticism because of ads boasting its ovens are so safe they're exempt from BRH warning label requirements. There's feeling ads could cause negative consumer attitude toward industry.

Color TV buying plans bucked downtrend in Conference Board's bimonthly Buying Plans Index, showing slight rise in Sept.-Oct. to 6.3% of families from 6.2% in July-Aug., although auto & appliance plans declined and Consumer Confidence Index dropped 5 points to 72.1 (1969-70=100). Color buying plans were up from year earlier (6.2%), but down from 1975 high of 7.1% set in May-June. Monochrome TV buying plans fell sharply to 1.7% from 2.1% in July-Aug. & 2% in Sept.-Oct. 1974.

New sets: Sylvania adds 25" color console with GT-Matic II at \$630, b&w 12" at \$130 & \$140, new low-end component stereo system at \$270, compact stereo at \$220, \$300 & \$350, four mid-line consoles with 8-track record at \$420.

Tenth anniversary of Porta Color set is being celebrated in GE promotion, which notes that 1.3 million have been sold and that 10" set carries same suggested list as its predecessor of 10 years ago.

General Motors' refusal to install windshield antennas in new cars ordered without factory radios is being challenged in \$70-million antitrust suit filed in N.Y. Dist. Court by Queens retailer Checkmate Stereo, on behalf of 20,000 other independent dealers & installers. Earlier this year, Ford settled similar suit, brought by Automatic Radio in 1963, which charged Ford restrained auto radio trade by refusing to drill holes in dashboards of cars without factory-installed radios (Vol. 15:12 p11).

Treasury is removing Toshiba from list of companies covered by 1970 finding that Japan-made tuners for consumer electronics were being dumped here (Vol. 10:16 p7 et seq.). Since then, dumping duties have been assessed on only 3 shipments of Toshiba-made tuners, and each time dumping margins were minimal. Toshiba, 11th company to win exclusion, has made written assurances against future less-than-fair-value sales, Treasury said.

Mallory will build \$6.7-million Duracell battery plant in Lancaster, S.C. next year. Company said world market for high-performance batteries will top \$170 million this year, double by 1980. Union Carbide said its battery sales should top \$550 million, up 10% from 1974, predicted industry would have 10% annual growth in next 5 years, estimated battery sales for watches alone would be \$500-\$800 million by 1980.

Component orders by distributors in Sept. were up 3.2% in value from Aug., 28.7% from Sept. 1974, EIA reports. Through 9 months, value of orders was up 1.8% from year earlier. Full-period orders for electron tubes of all types were down 4.7%, passive component orders off 31.2%, while all other components as group had 23.8% increase.

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with
Consumer Electronics ...

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Trade Personals

John Helms, ex-Motorola & onetime Quasar, becomes Magnavox electronic games product mgr., succeeding **Robert Fritsche**, now with Beatrice Foods; **Ronald Marsiglio**, ex-Zenith, named modular audio product mgr. . . **Donald Dickson**, onetime RCA Sales Co. pres., resigns as staff vp, SelectaVision disc mktg. development. . . Capehart Pres. **Robert Kropp** elected chmn., post he's held on interim basis since resignation of **Leonard Kaye** (Vol. 15:37 p11). . . **William Nigh**, ex-Motorola, shifts to Sylvania Institutional TV & Electronics Div. as mktg. services mgr.

Gloria Miner, ex-mdsg. support services mgr., promoted to Quasar sales promotion mgr. . . **Allen Jacobson**, former 3M Europe operations vp, named tape & allied products vp. . . **John Bubbers**, former vp-gen. mgr., named pres. of Audio Dynamics. . . **Joseph Keller**, asst. treas., and **Burt Lavine**, ad & sales promotion dir., elected vps, Zenith of N. Y.

Charles Fazio, ex-Automotive Products Group pres., appointed Rockwell International operations & corp. vp, and named to Operations Committee. . . **Charles Farrington**, ex-Financial Relations Board, joins Superscope as corp. communications dir.; **John Furtak**, ex-Cal. Newspaper Publisher Assn., named PR mgr.

Robert Pulver, GE creative services ad & sales promotion operations mgr., named gen. mgr. of in-house GE ad unit. . . **William Robinson** named James B. Lansing Sound Consumer Div. national sales mgr.; **Richard May** becomes product mgr. . . **Lauren Davies**, former mktg. vp, promoted to Craig senior mktg. vp. . . **Paul Lego**, Westinghouse Electronic Components Divs. gen. mgr., awarded firm's Order of Merit.

David Hahn, former Fairchild communications equipment mgr., becomes gen. mgr. of new Micro-

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Bartell Media			
1975-9 mo. to Sept. 30	11,312,000	(1,354,000)	--
1974-9 mo. to Sept. 30	27,804,000	(52,000)	--
1975-qtr. to Sept. 30	3,991,000	(466,000)	--
1974-qtr. to Sept. 30	9,950,000	10,000	.01
Downe Communications			
1975-qtr. to Sept. 30	26,381,000 ^a	(1,407,000) ^b	--
1974-qtr. to Sept. 30 ^c	24,347,000 ^a	46,000 ^b	.01
International Video			
1975-qtr. to Oct. 31	6,819,000	114,000 ^d	.04
1974-qtr. to Oct. 31	7,263,000	83,000 ^d	.03
Morse Electro Products			
1975-6 mo. to Sept. 30	53,911,000	(2,298,000)	--
1974-6 mo. to Sept. 30	79,120,000	350,000	.12
1975-qtr. to Sept. 30	29,536,000	(981,000)	--
1974-qtr. to Sept. 30	41,961,000	177,000	.06
Technical Operations			
1975-year to Sept. 30	100,523,000	(318,000) ^d	--
1974-year to Sept. 30	108,628,000	1,590,000 ^d	1.18
Teleprompter			
1975-9 mo. to Sept. 30 ^c	73,343,000	(3,576,000)	--
1974-9 mo. to Sept. 30 ^c	61,820,000	(5,093,000)	--
1975-qtr. to Sept. 30	27,333,000	(665,000)	--
1974-qtr. to Sept. 30 ^c	22,927,000	(2,042,000)	--
Tocom			
1975-qtr. to Sept. 30	620,000	65,790	.11
1974-qtr. to Sept. 30	930,728	63,243	.10
Trans-Lux			
1975-9 mo. to Sept. 30	7,093,767	(308,500)	--
1974-9 mo. to Sept. 30	7,117,469	85,887	.05
1975-qtr. to Sept. 30	2,369,918	(121,379)	--
1974-qtr. to Sept. 30	2,341,688	(25,870)	--

Notes: ^aFrom continuing operations. ^bAfter special charge. ^cRestated. ^dIncludes special credit.

systems Div. . . **Pierre Essig**, ex-Novus, joins Microma as product mktg. mgr. . . **Richard Abraham**, ex-Motorola, named Fairchild Bipolar Memory Div. vp-gen. mgr. . . **Dennis Bruch**, ex-Teledyne, joins National Semiconductor as metal-package transistors mktg. mgr., succeeding **Mike Bond**, now with the Quality & Reliability Assurance Dept.

George Neranchi, ex-Rockwell, joins Sylvania as western div. planning & mktg. research mgr. . . **Steven Olin**, Unitrex national sales mgr., named mktg. vp, new post.

Obituary

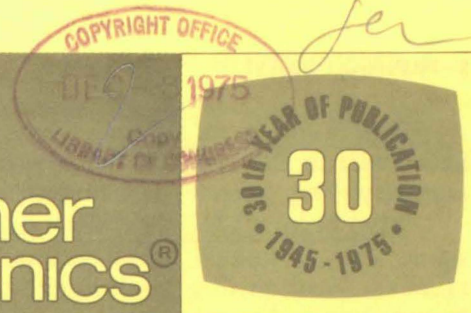
Philip Rogers Mallory, 90, who founded component & battery manufacturer P. R. Mallory & Co. in 1916, died Nov. 16 at his home on Fishers Island, N. Y. He served as Mallory pres. until 1946, chmn. until 1954. Survivors are his wife, daughter, 2 sons including G. Barron Mallory, former Mallory chmn. & pres.

Leo Shumavon, 69, NATESA Secy. Gen., died Nov. 18 after heart attack at his home in St. Petersburg. He's survived by widow, daughter.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

WESH-TV RENEWAL IN JEOPARDY as commissioners take another look at proposed decision denying competitor. Heavy Dec. meeting schedule for commissioners. (P. 1)

CABLE IN 15.3% OF U.S. TV HOMES: Latest Television Digest compilation shows 10.8 million CATV homes. Growth slackens from 12% to 10%. Reports on size, channel capacity, top 10, yearly growth since 1952. (P. 2)

RCA SATELLITE PLEA: Globcom urges FCC to take 'immediate action' or risk delaying Dec. 12 launch. Cross-polarization probed. (P. 3)

JUDGES ASK NO QUESTIONS, much to surprise of lawyers, at Court argument on FCC equal-time exemptions. (P. 3)

CABLE ORIGINATIONS: NCTA directory shows 492 systems serving 4.3 million homes. About 50% offer advertising, average \$14,000 each. Sports major service (P. 4)

OMB PROPOSES TO CUT ETV facilities act from \$12.5 million to \$7 million for fiscal 1976. (P. 4)

FORMER FCC CHMN, PORTER DIES: 'Workhorse of the New Deal' headed Commission 1944-46; partner in major law firm. (P. 5)

WESH-TV RENEWAL IN JEOPARDY: Central Fla. Enterprises, composed of about 2 dozen Daytona Beach-Orlando citizens—none with broadcast experience—is very close to wresting Ch. 2 from WESH-TV, owned by Cowles Communications. Last week, FCC discussed draft decision—written under supervision of Comr. Reid—which would have renewed WESH-TV, but case now is very much up in air with Cowles in serious danger of losing.

Adverse issues to Cowles are management-ownership integration, diversification, mail-fraud (by subsidiary of parent company) and misrepresentation (alleged move of main studio from Daytona Beach suburb to Orlando suburb without permission). Also, some commissioners reportedly feel station's programming has been sub-par, but that isn't likely to show up as reason in decision. Major plusses for Central Fla. are integration, diversification and 2 black principals—one of whom (George Schanck) plans to spend 40% of his time working for station, another (George Engram), 10%.

Commissioners & officials at FCC won't discuss adjudicatory case but it's known to be very close—probably leaning toward Central—despite earlier instructions to staff to grant WESH-TV renewal. At last week's discussion, several commissioners indicated desire to take another look. Chief FCC Judge Chester Naumowicz recommended WESH-TV renewal 2 years ago, despite finding of "improper conduct" by Cowles (Vol. 13:50 p5). Some commissioners now feel Naumowicz didn't give proper weight to several adverse findings relating to Cowles.

Consumer Electronics

RECORD COLOR EXPORTS to U.S. logged by Japan in Oct., with shipments up 62.5% from 1974 month. Producers strain to keep production up. Commerce study sees price as just one factor in demise of U.S. consumer electronics output base. (P. 6)

PROJECTION TV activity quickens, as small regional firms enter field. Ind. company slates 1,000-per-month output. Persistent reports indicate major TV maker entering field with new multiple element fresnel lens system. (P. 7)

CONSOLES' SHARE OF COLOR market continues high, running at 32.8% of production-plus-imports mix in 3rd quarter & first 9 months. Gains registered by 19" & 13" color portables. (P. 7)

HALLICRAFTERS RE-ENTERING CB market after acquisition by Breaker, will introduce 5-model line in spring, switch to total domestic production in summer. Radio Shack begins transceiver production in Tokyo plant. (P. 9)

DUTY-FREE IMPORT list of developing countries & eligible products excludes TV sets, car radios, other import-sensitive electronics, withhold preferences for most Far East-made radios, Mexican calculators. (P. 9)

from 29.8% for same 1974 period. In 3rd quarter, they also held 32.8% share vs. 31.8% year earlier, when console resurgence first began.

Analysis of total-market data indicates that very close to 40% (actually 39.6%) of sets made in U.S. in year's first 9 months were consoles or combinations vs. 35.2% one year earlier. In 3rd quarter, percentage rose to 41.4% vs. 40.1% in 3rd quarter 1974. In fact, consoles increased in number as well as share of market in 3rd quarter—578,000 vs. 568,000 in same 1974 period. Since figures represent production rather than sales, consoles could be going into inventory rather than consumer homes—but that seems unlikely because manufacturers have been increasing consoles' share of total mix for more than year now—presumably on basis of demand.

Third quarter saw virtual end of hybrid color production & import, with 92.4% of total all-solid-state. For first 3 quarters, 88.2% were solid-state (including 97.1% of consoles) vs. only 69% in same 1974 period. In monochrome, 67.1% were SS, vs. 34% in 1974's first 9 months. Remote-control models continued to run about same as first-half pace—some 6.5% of all color sets.

In screen sizes, 19" was big gainer in color at expense of all smaller sizes except 13". In first 3 quarters, 19" represented 58.3% of color portable-table model production plus imports, compared with 48.3% for full-year 1974. Part of increase represented demise of 18", which represented 6.8% of portable-table mix in 1974 but only 1.7% this year, but major factor undoubtedly is increase in imports of 19" size. Other color sizes showing increased share of portable-table mix: 13-15" to 13.9% from 12.4% in full year 1974 (new breakout shows 13" as 7%, 14-15" as 6.9%); 21" at 2% slightly up from 1.9%; 23-25" 3.5% vs. 3.1% last year. Registering declines were 16-17" at 12.1% (down from 18%), 12" & smaller at 8.6% (from 9.5%).

Monochrome screen size analysis shows 12" consolidating hold on market, representing 52.3% of portable-tables, up from 49.9% in full-year 1974. Consoles & big-screen table models (20" & up) have just about disappeared from b&w scene—former representing 1.6% of total b&w mix and latter 0.6% of portable-table mix in first 9 months vs. 2% each for 1974. Tinyvision (10" & smaller) increased portable-table share to 18% from 14.7%; 18-19" went up slightly to 20.7% from 20.2%. Decreases were shown in 13-15" (3.9% from 4.8%) & 16-17" (4.5% from 7.2%).

Additional consent agreements with audio manufacturers banning alleged vertical price-fixing are imminent, FTC told IHF members at get-together last week. N. Y. City Regional Dir. Richard Givens wouldn't say when agreements might be issued or how many firms are involved but warned manufacturers they're already essentially bound by provisions of agreements signed with Pioneer, Sherwood, TEAC & Sansui (Vol. 15:34 p7). Givens also hinted FTC may look into charges by some producers that retailers are using certain lines in illegal bait-&-switch promotions. One major manufacturer told FTC that since his firm went off fair trade, many retailers are promoting his products at unrealistically low prices to draw traffic, then switching customers to higher-priced merchandise.

Video games selling under \$65 retail, offering 6 games, are close to reality, due to new GI semiconductor chip selling for \$5-\$6, Electronics magazine says. Story quotes GI executive as saying 1.25 million chips have been "verbally sold" in U.S., pending customer approval of production units. Executive added that TV maker is potential customer and is considering incorporation of chip-based system in top-of-line sets. Chip is capable of programming 1- & 2-player tennis, soccer & related games, and 2 rifle games using photocell.

Economic recovery will continue through 1976, but no boom is in prospect, Conference Board's Economic Forum will report today. RCA Vp Robert Eggert, Forum spokesman on consumer income, spending & saving, forecasts year of persistent, moderate improvement in consumer spending, yielding about 5% increase in "real" expenditures, 10.7% in dollar volume. As result of backlog in demand for consumer durables, Eggert sees "considerable improvement" in dollar outlay, led by sales of 10.2 million autos, up 20%. He suggests about 9% increase in disposable personal income, personal savings down to 4-year low of less than 7%. "Election years," he notes, "tend to be expansionary."

RCA & Zenith introduced new sets at distributor meetings last week. From RCA came 4 new ColorTrak models, including first 19" with remote Control Center, forecast here last month (Vol. 15:43 p11), at \$725. Also introduced: 19" ColorTrak with 20-channel electronic tuning at \$530; lower-priced, more compact 25" ColorTraks at \$840 & \$850 (previous starting price was \$900); wide-cabinet 25" XL-100 consoles at \$650, two at \$660. Zenith added 23" color console at \$640, six-band portable radio at \$120, two stereo consoles at open list & \$340, FM-AM portable at \$50.

HALLICRAFTERS BACK IN CB: Leading figure in CB during pre-boom days, Hallicrafters will move back into market this spring with line of 5 units, including base station & single-sideband model. Decision is result of Hallicrafters' acquisition this month by Breaker Corp., Tex. producer of CB accessories & antennas. Hallicrafters CB line was eliminated in late 1960s when firm was sold to Northrop. First CB units reportedly will be assembled in U.S. plant on chassis purchased in Far East, but firm hopes to phase in complete domestic production by summer.

Confidence in future of CB market is reflected in other developments at manufacturer level, including decision by Radio Shack to begin production of mobile transceivers in its Tokyo factory this spring. Most CB production has been at its Korea plant. Radio Shack intends to "keep its pre-eminent position in this field," according to Pres. Lewis Kornfeld. He added that current popularity "will also impact favorably on our factories making antennas, co-ax, crystals, power supplies & accessories." Growing antenna field is also proving attractive, and Pearce-Simpson says it will introduce new antenna line "to capture a significant share" of market.

Full line of P-S CB & marine antennas will be produced in Miami plant of parent Gladding's U.S. Fiberglass Industrial Div. Spokesman said CB & marine radios, accessories & antennas should account for more than 50% of Gladding's projected sales of \$80 million in fiscal 1975.

Other developments: Chrysler has chosen Kraco as supplier of 3 CB units at low, medium & high price points for sale as dealer-installed option through Mopar, service & replacement parts div. Kraco models are full 23-channel units, will be offered with 2 antennas. Other supplier being considered by Chrysler was E. F. Johnson, which sells "Messenger 130A" unit to General Motors (Vol. 15:45 p13). CB unit Magnavox is making for Johnson (Vol. 15:42 p8) is "Messenger 123A," at \$160, one of firm's 3 best-selling models.

Legal battle royal is shaping up in burgeoning video game industry with at least 4 court actions under way involving game patents owned by Sanders Assoc., of Nashua, N.H. In 2 separate suits, Magnavox—which claims exclusive worldwide license rights to Sanders patents—has filed infringement charges against Bally, Midway, Seeburg, other coin-op producers, and against Sears, which markets Atari's "Pong" game. Other 2-suits are declaratory judgment actions by Atari & Midway against Magnavox & Sanders. Magnavox says it has licensed Contronics Data Computer to make, use & sell video games in U.S. under Sanders patents. European Magnavox licensees are Videomaster, Redbourn (U.K.), Zanussi (Italy) & Interton (West Germany).

Algeria slapped at France by choosing PAL color system over SECAM in move seen as revenge for declining French purchases there. GTE International is building huge consumer electronics plant for Algerian govt., including color picture tube & TV manufacturing capacity.

TRADE PREFERENCE LIST: Protection from excessive foreign competition is provided for domestic producers of most import-sensitive electronic products in trade preference list released last week by White House. List designates countries & territories deemed to be "developing," and whose manufactured products are entitled to duty-free entry under 1974 Trade Act. It also contains list of items excluded to prevent injury to U.S. manufacturers.

Electronic items not getting duty-free treatment include TV, auto radios, radio-recorder combinations, phonos & radio-phonos, color picture tubes, receiving tubes, transistors, ICs & other semiconductors, capacitors & resistors. Items getting duty-free treatment include audio & video tape recorders, transceivers, TV cameras, loudspeakers, headphones, amplifiers, b&w picture tubes & magnetic tape.

Following products are duty-free when shipped from developing countries other than those in parentheses: Calculators, switches & circuit boards (Mexico); audio & video tape players (Taiwan); home radios (Taiwan, Hong Kong, Korea & Singapore). Other electronics exporting countries on duty-free list include Brazil, Malaysia, Trinidad & Tobago.

Preferential treatment isn't open-ended. Country can lose benefit for specific product when total value of imports exceeds \$25 million annually, or if such shipments account for 50% of total U.S. imports of that product. To discourage any rush by ineligible companies to set up export-assembly operations in preference countries, Act specifies that minimum of 35% of value of duty-free product represent material or labor added in country of origin.

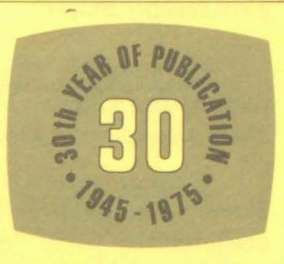
Watch watch: Gramex-American is joint venture of Gramex, Switzerland, & Bundy Corp., Detroit, to produce stainless-steel & gold-plated brass cases for electronic watches. Case finishing operations on semi-finished cases furnished by Gramex S.A. are set to begin in Jan., case production following year... **Hughes Microelectronics** has placed orders for 3.3 million trimmer capacitors with Erie, Matsushita, Sprague & Stettner for 1976 watch module production... **First electronic watch** kit for consumers is \$30 unit from U.K.'s Sinclair. Watch in complete form will retail at \$50. Sinclair gave up plan to sell miniature hi-fi components, still expects to offer 2" pocket TV next year... **Intersil** is quitting watches, says marketing costs are too high, will continue as parts supplier.

Serious & growing radio interference problems created by coin-op video games may lead to regulatory action by FCC. Moving on staff recommendations, Commission is expected to adopt notice of inquiry or rulemaking proceeding aimed at bringing games under tighter FCC jurisdiction. Though FCC has general authority to control manufacture of anything capable of generating interference, practical economic considerations force it to limit activities to known problems. For example, FCC staff has decided that for time being TV signal generators and other similar test equipment will be considered professional products exempt from certification as Class I devices. Fee for certifying such devices, including videoplayers & TV cameras with RF output, is \$2,000.

WEEKLY

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Broadcast

FORD FREEZES REGULATORY AGENCIES for 1977 in 'no growth' policy designed to minimize govt. role in economy. FCC & FTC to appeal. (P. 1)

NCTA'S SCHMIDT MOVES: Drops Lipsen & Seeger, will outline plans to board this week. Replacements not yet selected. (P. 2)

FCC SPENDS FOR RESEARCH: Major study ordered of station financial reports. Cable Bureau wants huge boost in \$10,000 allocated for distant-signal study, Best. Bureau \$120,000 for clear-channel listening patterns. FCC has allocated \$367,000 of \$857,000 on hand for research. (P. 2)

GOVT. RURAL CATV LOAN: First Agriculture FmHA funds, \$1,238,000, go to Wis. cooperative, disturbs NAB committee which fears 'massive' federal program. FmHA official 'not aware' of more. None permitted from REA. Pa. has first IDA tax-exempt loan. (P. 3)

FCC EN BANC—DIVERSITY: Quadraphonic standardization sought by EIA. INTV discusses its problems. Open Media seeks 'adequate access.' (P. 4)

HOUSE COPYRIGHT HEARING ENDS with Ringer conclusion that tribunal is 'mandated' by compulsory licensing systems, 'probably' will withstand court test. (P. 5)

FORD DECREES REGULATORY AGENCY FREEZE: President Ford will unveil on Jan. 19 next phase of program to reform federal regulatory agencies: Policy of 'no growth at all' in 1977. Confirming that Ford & OMB treated regulatory agencies as a group in preparing Administration's proposed 1977 budget, Administration officials told us freeze is part of Ford's efforts to de-regulate business, minimize govt. role in economy.

OMB had tentatively granted FCC requests for additional funds and personnel, but President Ford himself reversed decision and imposed across-the-board regulatory agency freeze, according to officials. [OMB is barred from discussing 1977 budget figures until after they're made public, but FCC's 1976 budget was about \$51 million. Commission requested \$57 million for 1977 (Vol. 15:30 p2).] Freeze would force some delays in replacing employes who leave Commission—in order to shift some funds from personnel to other areas with compulsory cost increases—but wouldn't entail absolute freeze on hiring or promotion.

FCC Chmn. Wiley has written Ford appealing decision, at direction of Commission, but agency might not be too hard hit in comparison to others. We're told some agencies were "gutted" in attempt to realize Ford goal of \$395 billion budget cap. "The blood is on every street," OMB spokesman told us. He stressed, however, that changes could result from presidential appeal process. "It's an agency-by-agency decision... The process is still going on."

Consumer Electronics

NOV. COLOR SALES to dealers above 1974 on calendar-month basis for first year-to-year increase in 17 months. Official EIA comparison will show slight decline. Increase foreshadowed by Oct. retail sales hike. (P. 7)

COLOR TV IMPORTS jumped 65% in Oct. to top 183,000, passed by 130% leap in 19" models from Japan. B&w shipments down just 2% from 1974 month. (P. 7)

FEW EXTENDED SHUTDOWNS scheduled for Jan., most TV plant holiday closings following traditional patterns. Sylvania to shut Smithfield plant 6-1/2 weeks, Batavia 5-1/2 weeks. (P. 8)

FCC BURIED IN CB avalanche, flooded by license applications, user & congressional complaints. Commission may act on problem this week. (P. 8)

NEW IMPORT BREAKOUTS to be reported by Commerce Dept. in '76 to provide better look at receiver & record-player movement, first picture of audio & video tape shipments, refinement for tape recorders & players. (P. 9)

'NEW' CURTIS MATHES advertises 'most expensive sets in America,' goes franchise route exclusively with sets made in Caribbean, using unique 4-year warranty as selling tool. (P. 10)

FCC ACTING ON ILLEGAL GAMES: Universal Research Labs could be forced to take its "Video Action II" video games off market, according to FCC. Although refusing to discuss specifics, spokesman for chief engineer's office said firm had been sent letters "directing them to clean up the violation." Violation referred to obviously is failure to get FCC type approval of game as "Class I TV device." Once any firm is notified of violation, spokesman said, general practice is for product to be taken off market—"after a certain period"—unless company wants to risk possibility of cease-&-desist order or stronger FCC legal action. Prospect of product recall exists if units already sold don't meet FCC RF radiation specifications.

Universal Research Pres. Robert Olliges said games in question "are not type-approved, but they do meet FCC specifications." He added firm has "temporary approval" for "Video Action II" from Commission—disputed by FCC spokesman. Original "Video Action" game produced by Universal, direct-coupled to TV set and sold as single unit, didn't fall under Class I regulations. "Video Action II" is sold separately, connects to antenna terminals of conventional TV receiver. Games type-approved by FCC through latter part of Nov. for use with home TV sets: Atari—2 models, one game; Executive Games—one model; Magnavox—6 models, 3 games.

CB Scene: FCC is asking mobile CB users to stay off channels immediately adjacent to emergency channel 9 to avoid interference with emergency calls, urges use of "several channels removed" from 9... **Channel Master** adds 10-channel mobile/home scanner at \$170. Unit has 12-volt DC cord & car-mounting bracket... **Order** by Louisville judge that CB frequencies be jammed during Sept. civil disturbance probably violated Communications Act, "raises serious First Amendment/prior restraint questions," FCC says. In letter to judge, Chmn. Wiley says while he "fully appreciates" circumstances which led to decision, FCC wants order rescinded... **Hitachi** confirmed reports it will enter CB field (Vol. 15:44 p9), will show 3 mobile units, one base station, one SSB model at Jan. CES.

Expansion of Class D 23-channel CB service probably won't come until spring or summer, FCC spokesman told us, despite earlier plan to act on changes by year's end. FCC still views expansion as little more than emergency action, will eventually propose new CB service. Spokesman said FCC hesitation on creation of new service is partly result of certainty that any proposals will generate heavy opposition. Example is proposed Class E service (Vol. 15:41 p7) in 220-225-MHz band which spokesman said would necessitate protection of Mexican & Canadian borders and selected military installations in U.S., and could present serious interference problems with TV Ch. 11-13. "We want to make sure we don't create another interference nightmare like we have at 27 MHz [Class D]."

Olympic International's new hq: 26 General Pl., Jericho, N. Y. 11753.

Negative balance of trade in telecommunications doesn't exist when "telecommunications" is properly defined, OTP Acting Dir. Eger reported to House Communications Subcommittee Chmn. Macdonald (D-Mass.). Eger wrote to report on progress made by interagency task force on international telecommunications trade in turning around alleged unfavorable balance. Group decided that proper definition of "telecommunications equipment" excluded consumer electronics, computers, electronics and electronic test equipment. Resultant trade balance is favorable \$340 million for first 6 months of 1975, Eger reported. He said group decided to leave to Special Trade Representative and Commerce Dept. foreign non-tariff barriers to international trade, would submit specific agenda soon on how task force will deal with other barriers—"certain domestic considerations and difficulties" which "impede full development of the export market."

"**No laundry list** of changes" is in Pres. Anthony Conrad's pocket for RCA, he's quoted in Dec. Fortune—"I'm an evolutionist, not a revolutionist." Asked about statement in same article that RCA lost about \$65 million in electronics manufacturing in first 8 months of 1975, RCA spokesman told us figure was "way, way too high." Meanwhile, RCA has dropped plans to build solar-heated conference center on 12th floor of N. Y. hq building. Spokesman said cost estimates had escalated from \$6 to \$10 million and that money could be put to use more effectively in space satellite & videodisc projects. Conference center idea is understood to have been strongly backed by Chmn. Sarnoff.

GE's first integrated consumer products promotion covering TV, audio, appliances & housewares will kick off early next year under "Happy Birthday America" theme, promoted heavily on network TV through Winter Olympics coverage and regular programming, plus radio, spot TV & newspapers. Six-week sale will offer \$50 reductions on 17" & 25" color models, reduced prices on other color & monochrome sets, free AM portable with purchase of digital clock radios or tape recorders, housewares rebates, \$50 reductions on selected appliances.

Japanese electronics firms are continuing to tap foreign capital sources. Among latest: Sanyo completed offering in Europe of \$20 million in 7.5%, 15-year bonds; Mitsubishi Electric \$30 million of 15-year convertible bonds to foreign (but not U.S.) investors, later this month; Kyoto Ceramic hopes to raise about \$25 million in U.S. in Jan. through sale of million ADRs representing 2 million common shares, funds to be used primarily to reduce debt of U.S. subsidiary.

"**Find a TV** that beats ours and we'll get it for you" is theme of RCA distributor Bruno-N. Y.'s consumer console campaign, patterned on RCA's factory promotion to dealers which expired Nov. 30. Bruno ads urge consumers to watch set 10 days in home. If they don't agree ColorTrak "really does 'think in color,'" dealer will "replace the set at absolutely no cost to you with any comparable 25" diagonal console you'd rather have."

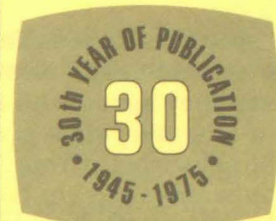
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SUMMARY INDEX OF WEEK'S NEWS

Broadcast

VIOLENCE CRITICS REPORT SUPPORT: Edna Knowlton say public response to their criticism of TV violence is 'tremendous,' 'overwhelming'—and almost all positive. (P. 1)

TV'S SPLIT OUTLOOK, particularly on pay cable, comes through in NAB questionnaire of industry leaders; 218 say it can undermine TV, but 212 say telecasting will be dominant in 1990. (P. 2)

MacAVOY STANCE ON CABLE attacked by NAB, which says he's not concerned if 50% of stations go dark. Political campaign by both NAB & NCTA due for step-up. (P. 2)

RAB JOINS NAB CONVENTION: Sales group to help in planning, share in proceeds. Most TV & radio sessions separated. Registration up to \$75. (P. 4)

NETWORKS REPORT TO FTC that regional ad concept has been disappointing, although they plan to continue experiment. (P. 4)

PASTORE PREDICTS COURT will reverse FCC on equal time exemptions for debates, news conferences. (P. 4)

FCC ON LEAPFROGGING, ascertainment, rate regulation & AM-FM non-duplication in 5 days of meetings this week. (P. 5)

Consumer Electronics

SANYO EYEING WARWICK acquisition, seeking to become 3rd Japanese TV maker with U.S. plant base. Top-level Sanyo group tours plants. Warwick concedes discussions with unnamed firm. (P. 7)

IS U.S. TV INDUSTRY VIABLE? Even traditional internationalists complain of 'unfair' Japanese tactics on import market, blame U.S. govt. for failure to act. If Warwick sale goes through, 4 U.S. producers will be foreign-owned. (P. 8)

COLOR INVENTORIES TRIMMED in Nov. as manufacturers cut production 12% below sales to dealers. Color sales for 1975 headed for 6.5 million. Monochrome & color sales both up in Nov. on calendar-month comparison. (P. 9)

GAME MANUFACTURERS WARNED by FCC against selling without type approval. Universal Research pulls non-approved games off market. Computer-control could be next home game fad. (P. 10)

NEW TV STANDARDS for higher resolution urged by veteran engineer Donald Fink. FCC exploring possibilities. Worldwide study to be proposed. (P. 10)

FCC MOVES ON CB license mess but decision to install high-speed system won't help solve current snarl. Official sees applications hitting million a month. (P. 10)

VIOLENCE CRITICS REPORT SUPPORT: Two critics of TV violence report that their criticisms have received "tremendous" and "overwhelming" response from public, practically all of it "positive." Citing response as support for a crusade, they've urged members of their 2 professions—education & advertising—to join with them in working as pressure groups to improve TV programming.

Remark by U.S. Education Comr. Terrel Bell that there's "too much garbage on TV, the kind of programming that does not uplift or which concentrates on the sordid" (Vol. 15:42 p5) "generated tremendous reaction" (almost unanimously positive, according to spokesman) from public and broadcasting industry, Bell said in speech prepared for Fla. education conference in Miami Beach (speech was delivered by Exec. Deputy Comr. Duane Mattheis). Bell urged educators to "help people want something better, and in that way help TV give them something better... Think what it would mean if a whole generation of Americans acquired enough new interests and, thereby, enough self-esteem, that it would thumbs-down TV garbage and demand wholesome, challenging programs instead." He cited as "indicators that time may be on our side": (1) "Increasing instability" of network programming. (2) "Spectacular growth" of cable, which means viewers "no longer will have to rely on network & commercial programming."

Response to plea by General Foods Media Dir. Archa Knowlton that TV advertisers should



FCC WARNS ON ILLEGAL GAMES: Firms considering entry into video games market better make sure they aren't breaking law, FCC has warned. So far, 2 game companies have been issued violation notices by FCC and one—Universal Research Labs—has been forced to take products off market. Under FCC regulations governing Class I TV devices, any device designed to feed signal into TV receiver through antenna terminals must be type-approved before unit can be advertised or put on market.

Problem is that many companies interested in game field are unaware of regulations. "Some of these guys have never been involved with the electronics field, and they don't know about RF radiation," FCC spokesman said. "But if it goes into the set as RF, it's a Class I device and it has to be approved." He admitted that part of problem rests with FCC itself, citing case where company was told by Atlanta field office that game designed to feed RF signal to conventional TV set through antenna terminals didn't need approval.

Company is First Dimension of Nashville, Tenn., which narrowly avoided legal hassle with Commission when it began distributing photo and ran ads of unit it proposed marketing without FCC approval. Although technically in violation, First Dimension didn't actually ship products until after type-approval was granted Dec. 10, and FCC is inclined to let matter pass. Game features tennis & hockey games and robot (solitaire) feature, sells for \$130, will be shown at Jan. CES. More serious is case of Universal Research Labs, which actually sold non-type-approved versions of "Video Action II" (Vol. 15:49 p11). Firm says it received notice of violation from FCC in Nov., has now halted shipments and is taking product off retail shelves. If problems with FCC can be ironed out, company hopes to resume marketing early next year. "Recalling products is an expensive proposition," FCC spokesman said, "and these companies would be a lot better off if they had approval in the first place."

Next generation of home video games may be in form of TV-game-computer interaction. At least 2 firms are preparing to market computer-related devices which have advantage of offering almost infinite number of games. "TV Dazzler," by Cromemco of Los Altos, Cal., will be introduced in Jan., operates through connection to home computer produced by MITS of New Mexico. Total cost of computer & game in kit form is around \$750 with accessories. "This is the Cadillac of the home game business," Pres. Roger Melen told us. "It's completely flexible." Game is controlled by computer program designed by user, "has infinite number of possibilities," Melen said. Other computer games are planned by Computer Recreation (CR) of N.J., which plans to offer such diversions as chess, blackjack, word & math games, as well as do-it-yourself instructions via phone hookup from firm's time-sharing computer to customer-owned printing or CR tube readout keyboard terminals. CR says customers would pay \$3 per hour for computer time plus phone charges, hopes to raise \$200,000 through 50,000-share offering, use proceeds to purchase computer, develop games & marketing plans.

NEW TV STANDARDS? Movement for serious study of high-resolution widescreen color TV standards gained momentum last week with call by veteran TV engineer Donald Fink, IEEE exec: consultant, for exploration of high-quality system. Fink made remarks at luncheon of IEEE Chicago Fall Conference on Consumer Electronics. Previously, similar move was suggested by consultant Raymond Wilmotte in study for FCC (Vol. 15:23 p5), and immediate industry-wide technical study was urged by Goldmark Communications Vp K. Blair Benson (Vol. 15:44 p11).

Spokesman for FCC's Office of Chief Engineer told us Commission staff was exploring how TV standards could be improved. Proposal for worldwide study group is expected to be submitted to next meeting of CCIR (International Radio Consultative Committee).

Confinement to 525-line picture, Fink said, "derives fundamentally from the inefficiency of TV transmission." The viewer "doesn't know what he's missing." He suggested use of bandwidth-reduction techniques to make possible 1,000-line picture with resolution equivalent to 35-mm film, perhaps in 12-MHz channel. He proposed sparsely populated UHF spectrum to inaugurate high-resolution service. "If a new & superior quality of service were available on UHF," he added, "we can confidently predict a scramble to get into the act, not only by [existing broadcasters], but also by powerful entrepreneurs who would see the chance to get into the action by forming and ably programming a 4th network."

Alternative and more immediate route to high-resolution TV, Fink said, would be via cable TV, which has more channels than it can use. Emphasizing that he was speaking for himself, not IEEE, Fink saw "major forward step in the TV service within our grasp." Meanwhile, he urged engineers to solve problems within existing standards. "The present depressed market cries for a major improvement in [receiver] design, and the signs of its coming are there."

FCC MOVES ON CB MESS: Commission go-ahead for study on installation of high-speed license-processing system last week could be case of too little too late. Earliest system could even be approved in 6 months, period during which monthly flow of applications into FCC is expected to swell from current 300,000 level to 1 million. Safety & Special Bureau Chief Charles Higginbotham told us internal study on needs will take about 1-1/2 months, contract bids will be awarded after 3 months and final report will "be in hand" in 6 months. "We'll just have to live with it," he said—"there's no magic solution."

He added that FCC is catching up on backlog, is now opening mail faster than it's coming in. Nonetheless, he acknowledged situation will remain problem into near future, that increasing number of unlicensed operators will add to already congested situation on cramped 23-channel Class D band. Bureau will hand recommendations on Class D expansion to full Commission in mid-Jan., probably will ask for increase to 50 channels with mix of SSB & AM channels similar to current allocation.